

Sohar International Bank SAOG

Corporate Governance Report

1. Philosophy on Corporate Governance:

The Corporate Governance Philosophy in Sohar International Bank SAOG (the “Bank” and/or “Sohar International”) has been developed within the directives and guidelines of the Central Bank of Oman (“CBO”), the Capital Market Authority (“CMA”) and the Commercial Companies Law of Oman (“CCL”). The four universal values synonymous with corporate governance – accountability, fairness, responsibility and transparency are an integral part of it.

Corporate governance is a set of processes, customs, policies, laws and practices affecting the manner in which the organization – namely Sohar International is directed, administered or controlled. Corporate governance also covers the relationships between the many parties or stakeholders involved in the Bank and the aims and objectives for which the Bank is governed. The principal relationships at the Bank are between the shareholders of the Bank, the management and the Board of Directors. Other relationships include the customers, employees of the Bank, regulators, suppliers, the environment and the community in which the Bank exists. An additional aspect of governance is that of an economic efficiency view, through which the governance system of the Bank also aims to optimize economic results, thereby placing emphasis on the shareholder’s welfare.

The Board of Directors of the Bank is committed to the highest standards of Corporate Governance. The Bank is committed to raising the bar even further so as to set a leading example of commitment with the letter and spirit of the Code of Corporate Governance laid out by the CMA and the regulations for Corporate Governance of Banking and Financial Institutions issued by CBO. The CMA Code of Corporate Governance for Public Listed Companies and the CBO circular BM 932, Corporate Governance of Banking and Financial Institutions are the principal codes and drivers of Corporate Governance practices in the Sultanate of Oman. The Bank has complied with all of their provisions, except for certain instances which are stated in the ‘Statement of Compliance’ section of this report. The CMA Code of Corporate Governance can be found at the following website ww.cma.gov.om.

The basic framework of the Bank’s corporate governance requires that the Board of Directors, Sharia ‘Supervisory Board (“SSB”) for its Islamic Banking Window (Sohar Islamic) and management shall:

- Maintain the highest standards of corporate governance and regulatory compliance.
- Promote transparency, accountability, responsiveness and social responsibility.
- Conduct its affairs with its stakeholders, customers, employees, investors, vendors, government and the society at large in fairness and in an open manner.
- Create an image of the Bank as a legally and ethically compliant entity.

2. Board of Directors:

The Bank’s Board of Directors (the “Board”) is the highest governing authority within the Bank structure. Its role is to ensure that the Bank conducts itself in accordance with its core values and develops them further on a continuous and sustainable basis. The Board consists of professionals from various fields and professions and gives representation to the stakeholders and administrators in the process of decision making. The predominance of independent directors has enabled the Board to have meaningful discussions and take an unbiased and qualitative view on matters placed before it. There is a clear segregation between the ownership of the Bank and the management. The roles of the Chairman of the Board and the Chief Executive Officer (“CEO”) are separated with a clear division of responsibilities at the head of the Bank between the running of the Board and the executive management responsibility for running the Bank’s business. The Board is responsible for overseeing how management serves the long-term interests of shareholders and other key stakeholders.

2.1 Composition and classification of the Board:

The constitution of the Board, election process for Board members and shareholders’ interests are areas of prime concern for the good governance commitment of the Bank. Details of the elected Board members are outlined in “Table 1”.

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Table 1: Composition and classification of the Board:

Name of Director	Category	Represents
Mr. Mohamed Bin Mahfoodh Al Ardhi, Chairman	Non-Executive	Independent
Mr. Said Mohamed Al-Aufi Deputy Chairman	Non- Executive	Independent
Mr. Salim Mohammed Al Mashaikhy	Non-Executive	Independent
Mr. Said Ahmed Safrar	Non-Executive	Independent
Engr. Ahmed Hamed Al Subhi	Non-Executive	Non- Independent
Mr. Tareq Al Mugheiry	Non-Executive	Independent
Mr Bipin Dharamsey Nensey	Non-Executive	Independent

2.2 Profile of Directors:

Mr. Mohamed Bin Mahfoodh Al Ardhi - Chairman

Al Ardhi joined Sohar International as the chairman in December 2017. Mr. Al Ardhi is also the Executive Chairman of the global investment firm Investcorp.

A retired Air Vice Marshal by profession, Mr. Al Ardhi joined the Royal Air Force of Oman in 1978, and was subsequently appointed as Chief of the Omani Air Force. In 2000, he was awarded the “Order of Oman” by His Majesty Sultan Qaboos bin Said Al-Said.

Al Ardhi is the former Chairman of the National Bank of Oman where he served for three years as Deputy Chairman and three years as Chairman of the Board.

Al Ardhi holds a Bachelor of Science degree in Military Science from the Royal Air Force Staff College in Bracknell, UK and a Master’s in Public Administration from John F. Kennedy School of Government, Harvard University USA. He also graduated from the prestigious US military institution the National Defense University in Washington D.C., USA. After studying military strategy.

Al Ardhi regularly speaks on international trade, the relationship between the Middle East and the West and the security of the Gulf. He is also the author of three books: “Arabs Down Under”, “Pearls from Arabia” and “Arabs Unseen”.

Current affiliations:

International Advisory Board of the Brookings Institution in Washington, D.C.

Trustee for the Eisenhower Fellowship in Philadelphia

Member of Community Chairmen Group, World Economic Forum

Member of Harvard Kennedy School Dean’s Council

Member of The Arab Gulf States Institute in Washington

In addition to his position as the Chairman of the Board of Directors at Sohar International, he also holds the position of the Chairman of the Executive, Nomination and Remuneration committee (ENRC).

Mr. Said Mohammed Al-Aufi – Deputy Chairman

Mr. Al Aufi is Acting CEO at Mars Development and Investment “MDI”, and he is responsible for managing a multi-asset class portfolio in the financial services, Fintech, technology and commodities sectors. Before joining MDI, Mr. Said worked in the Asset Allocation and Business Strategy team in the State General Reserve Fund (SGRF).

Mr. Said Al Aufi has a Double Degree in Commercial Law & Banking and Finance from Monash University in Australia, he is a Chartered Financial Analyst "CFA" and Chartered Alternative Investment Analyst “CAIA”. He has also completed several executive management programs in the areas of executive leadership, Block chain, Cryptocurrency, Fintech, Artificial Intelligence, Internet of Things

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(IOT) and Venture Capital. Mr. Al Aufi is a member of the Board of Oman Telecommunication SAOC and the Board of Oman Broadband Company SAOC.

Mr. Salim Mohamed Masaud Al Mashaiky – Director

Mr. Salim Mohamed Masaud Al Mashikhi Holds a Bachelor's Degree in Mathematics, he is currently employed in the Expenditure Department of the Royal Court Affairs. Mr. Salim Al Mashaiky is the Deputy Chairman of Oman Fixed Income Fund (OMFI). Mr. Salim Al Mashaiky is a member of the Board Audit Committee, and the Board Risk Committee (BRC)

Mr. Said Ahmed Safrar – Director

Mr. Said Safrar is the Chief Executive Officer in Oman Investment & Finance Company Co. SAOG. He holds a Master in Business Administration (MBA) from the University of Hull in the UK, Senior Executive Leadership Program from Harvard Business School in the USA, has more than 27 years of professional experience in Banking, Telecom, Investment and Services sectors. He was the Chief Customer Experience Officer with Omani Qatari Telecommunications Company SAOG “Ooredoo” before joining OIFC. He is a board member at Sohar International SAOG, Financial Corporation Co SAOG, Taageer Finance Company SAOG, Dhofar Generating Company SAOG, Wasel Exchange SAOC and Mazoon first Fund.

In addition to his role as a member of the Bank's Board of Directors, Mr. Said Safrar is also the Chairman of the Credit Approval Committee (CAC) and member of Executive, Nomination and Remuneration committee (ENRC).

Engr. Ahmed Hamed Al Subhi – Director

Eng. Ahmed Hamed Al Subhi holds an MBA from the University of Strathclyde, and Honors Degree in Electrical engineering. Eng. Ahmed Al Subhi is widely recognized in the power generation and desalination industry. He has been actively involved in developing and executing of Mega Independent Power and Desalination Project and other such projects in the region. Ahmed has been involved in many transformations and restructuring of companies utilizing his solid operational experience working with many multinational organizations. Currently, he is the Chairman Oman Holding Company for Environment Services S.A.O.C. (Be'ah) and member of Board of Directors of few listed Companies in Muscat Securities Market. In addition to his role as a member of the Bank's Board of Directors, Eng. Ahmed Al Subhi is also the Chairman of the Board Risk Committee (BRC) and member of the Board Audit Committee.

Mr. Tareq Al Mugheiry – Director

Mr. Tareq Al Mugheiry is the Chief Investment Officer of Oman Investment Corporation SAOC (OIC). Prior to joining OIC, Tareq worked with a number of international companies including: Philips Electronics in corporate strategy and mergers & acquisitions; J.P. Morgan in investment banking covering the European technology sector; and Oman LNG's project finance team. He holds a Bachelor of Law (LLB) and Bachelor of Commerce (B. Com) from the University of Western Australia. Tareq serves on the boards of Innovation Development Oman, Takaful Oman Insurance, Sembcorp Salalah O&M Company and TMK GIPI.

Mr. Tareq Al Mugheiry is a member of the Credit Approval Committee (CAC), and the Executive, Nomination and Remuneration committee (ENRC).

Mr. Bipin Dharamsey Nensey - Director

Mr. Bipin Dharamsey Nensey holds a Bachelor's Degree in Accounting and Finance. He is the Director of Dharamsey Nensey Company since 1977. He is currently Independent Non-Executive Director of Al Suwadi Power Company SAOG as well as Muscat Insurance Company SAOG since 14th July 2007. He served as the Vice Chairman of one of the local Banks for over 15 years. In Sohar International, he is a member of the Credit Approval Committee.

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2.3 Board of Directors – Executive Powers:

Sohar International’s Board of Directors:

- Is vested with the powers of general superintendence, direction and management of the affairs and business of the Bank.
- Has the ultimate responsibility for the overall compliance and management of the Bank.
- Guides the Bank to achieve its objectives in a prudent and efficient manner.
- Is primarily responsible for ensuring that all financial transactions are legal and that all disclosures are made as per regulations.
- Lays down a comprehensive code of conduct for all Board Members and Senior Management of the Bank, to be followed under all circumstances.
- Approves the delegation of power to the executive management as well as nominee members of the sub-committees and specify their roles, responsibilities and power.
- Authorizes the management to implement the strategy for the Bank that is designed to deliver increasing value to the shareholders.
- Develops strategies for managing risks associated with the business and for meeting challenges posed by competitors.
- Develops vision to anticipate crisis and to act proactively when necessary.
- Ensures that information flows upward and that authority flow downward and thus the Bank is under their control, direction and superintendence.

During the year under review, the Board has:

- Reviewed and approved the Bank’s financial objective, plans and actions.
- Reviewed the Bank’s performance.
- Evaluated whether the business is properly managed according to the Bank’s objectives.
- Ensured compliance with laws and regulations through proper internal systems of controls.
- Reviewed the efficiency and adequacy of the internal control systems and confirmed its compliance with internal rules and regulations.

The Board of Directors has approved the Standards of Professional Conduct or the Code of Conduct, which covers the standards of conduct expected from the directors and the Senior Management of the Bank. The purpose of this code is to articulate highest standards of honesty, integrity, ethical and law abiding behavior.

The Board has approved the three quarterly reports and the annual financial statements and report to the shareholders on the annual report about the ongoing concern status of the Bank with supporting assumptions and qualifications as necessary.

The Board has taken steps to comply with rules, regulations and international best practice, reviewed compliance reports prepared by the Bank’s management of all applicable provisions of the law.

Sohar International’s Board of Directors has exercised all such powers and performed all such acts as the Board is authorized to exercise and do.

The Bank prepares a Management Discussion and Analysis report which is included as a separate section in the Annual Report.

2.4 Meetings and Remuneration of the Board:

The Board of Directors meets regularly, monitors the executive management, and exercises necessary control over the Bank’s functioning. The Board conducts its business in formal meetings. In Board meetings, the “majority” is computed as the absolute majority of the directors present in person or proxy, whether or not they participate in the voting process.

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The total number of meetings of the full Board during the year 2021 was 8. The maximum interval between any two meetings was in compliance with rule (10) of the 2nd principle of the CMA's Code of Corporate Governance, which requires meetings to be held within a maximum time gap of four months. The dates of the meetings of the Board of Directors, and its sub-committees during year 2021 were as follows:

Board of Directors Meetings held in 2021 and dates on which they were held								
Name of Director	28 Jan	21 Mar	28 Mar	29 April	29 Jul	28 Oct	23 Nov	29 Dec
Mr. Mohammed Al Ardhi	√	√	√	-	√	√	√	√
Mr. Said Al-Aufi	√	√	√	√	√	√	√	√
Mr. Salim Al Mashaikhi	√	√	√	√	√	√	√	√
Mr. Said Ahmed Safrar	√	√	√	√	√	√	√	√
Eng. Ahmed Al Subhi	√	√	√	√	√	√	√	√
Mr. Tareq Al Mugheiry	√	√	√	√	√	√	√	√
Mr. Bipin Dharamsey Nensey	√	√	√	√	√	√	√	√

Sitting fee remuneration is paid to the Directors for attending the Board or its sub-committee meetings. The fee is within the limits stipulated by the Commercial Companies Law and the directives of the Capital Markets Authority.

An amount of RO **150,000** was paid in 2021 as board remuneration for the year ended 31st, December 2020. The remuneration paid was within the limit prescribed under applicable laws and regulations.

Table 2: Sitting fees paid to Directors during 2021 is given below:

Sl. No	Name	Sitting fees paid during 2021
1	Mr. Mohamed Mahfoodh Al Ardhi	5,100 OMR
2	Mr. Said Mohamed Al-Aufi	9,200 OMR
3	Mr. Salim Mohammed Al Mashaikhi	6,800 OMR
4	Mr. Said Ahmed Safrar	7,600 OMR
5	Eng. Ahmed Hamed Al Subhi	6,800 OMR
6	Mr. Tareq Mohamed Al Mugheiry	7,600 OMR
7	Mr. Bipin Dharamsey Nensey	5,200 OMR
	Total	48,300 OMR

2.5 Committees of the Board

The Board of Directors has created various subcommittees for specific purposes with clearly defined terms of reference and responsibilities. The committees' mandate is to ensure focused and specialized attention to specific issues related to the Bank's governance. The various sub-committees of the Board

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together with the Internal Audit and Compliance department form an important tool in the process of corporate governance. The subcommittees and their primary responsibilities were as follows:

The Corporate Governance Structure of Sohar International Bank SAOG is depicted below:

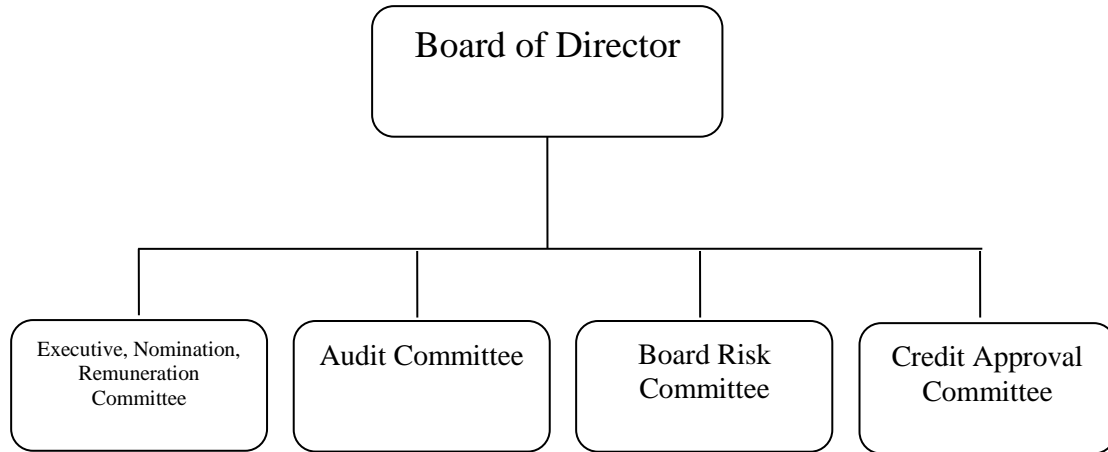


Table 3: Board Sub-Committees meetings held in 2021 / Number of meetings attended					
Name of Director	Executive, Nomination & Remuneration Committee (ENRC)	Audit Committee (AC)	Credit Approval Committee (CAC)	Board Risk Committee (BRC)	Attendance of AGM - March 2021
Mr. Mohamed Al Ardhi	4	-	-	-	Present
Mr. Said Al-Aufi	6	4	-	3	Present
Mr. Salim Mohammed Al Mashaiki	-	4	-	3	Present
Mr. Said Ahmed Safrar	6	-	3	-	Present
Mr. Ahmed Al Subhi	-	4	-	3	Present
Mr. Tareq Al Mugheiry	6	-	3	-	Present
Mr. Bipin Dharamsey Nensey	-	-	3	-	Present

2.5a Executive Nomination & Remuneration Committee:

The Board Executive, Nomination and Remuneration Committee (“ENRC”) is a sub-committee of the Board of directors and, as such, assists the Directors to discharge the Board’s responsibilities of oversight and governance in relation to : (1) General Performance aspects of the Bank such as strategy setting and implementation, banking business, annual budget recommendations, information technology and generally to assist the board in reviewing business proposals and other related issues that require a detailed study and analysis. (2) HR, Nomination and Remuneration issues such as to provide direction

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and guidance to have the right CEO and Senior Management team and provide support and direction to the Bank and its stakeholders and ensure their interests are protected, etc.

ENRC Meetings held in 2021 and dates on which they were held						
Name of Director	28 Jan	29 April	29 July	28 October	2 Dec	29 Dec
Mr. Mohamed AlArdhi (Chairman)	√	-	√	√	-	√
Mr. Said Al-Aufi	√	√	√	√	√	√
Mr. Said Ahmed Safrar	√	√	√	√	√	√
Mr. Tareq Al Mugheiry	√	√	√	√	√	√

2.5b Audit Committee:

The main functions of Audit Committee are to assess and review the financial reporting system of the Bank to ensure that the financial statements are correct, sufficient and credible. The Committee reviews with the Management the quarterly / annual financial statements before their submission to the Board for adoption. The Committee also reviews the adequacy of regulatory compliance, regulatory reporting, internal control systems and structure of Internal Audit and Compliance Departments. The Committee also holds discussions with the internal auditors / external auditors on significant findings on the control environment.

The role of Chief Internal Auditor is to provide reasonable assurance that the management control framework used within the Bank is operating effectively. The role of Chief Compliance Officer is to ensure that the Bank complies with all the Laws, rules and regulations as applicable under the regulatory framework in Sultanate of Oman and international best practice. Both chiefs report directly to the Audit committee of the Board.

AC Meetings held in 2021 and dates on which they were held				
Name of Director	27 January	28 April	28 July	27 October
Mr. Said Al Aufi (Chairman)	√	√	√	√
Mr. Ahmed Al Subhi	√	√	√	√
Mr. Salim Al Mashaikhi	√	√	√	√

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2.6c Credit Approval Committee:

The Board Credit Approval Committee (CAC) is a sub-committee of the Board of Directors and as such approves loans which are above the lending mandate of Executive Credit Committee (ECC) of the management, reviewing credit product policies, credit policy, credit portfolio and existing credit facilities on annual basis.

CAC Meetings held in 2021 and dates on which they were held			
Name of Director	20 January	23 February	6 July
Mr. Said Safrar (Chairman)	√	√	√
Mr. Tareq Al Mugheiry	√	√	√
Mr. Bipin Dharamsey	√	√	√

2.6d Board Risk Committee:

The Board Risk Committee (BRC) assists the Directors to discharge the Board's responsibilities of oversight and governance in relation to the risk performance of the Bank. The Committee is responsible for making recommendations to the Board of Directors on the risk appetite of the Bank in relation to credit, interest rate, market, liquidity and operational risk.

The Committee ensures the implementation of risk strategy and policy in addition to ensuring that a robust risk framework is in place within the Bank which optimises the quality and return on deployment of assets. The Committee also provides guidance and direction on all credit, market, interest rate, liquidity and operational risk policy matters.

BRC Meetings held in 2021 and dates on which they were held			
Name of Director	28 March	30 June	26 September
Mr. Ahmed AlSubhi (Chairman)	√	√	√
Mr. Said Al Aufi	√	√	√
Mr. Salim Al Mashaikhi	√	√	√

3. Shari'ah Supervisory Board of Sohar Islamic (Islamic Banking Window of Sohar International Bank SAOG)

Biography of Sharia Supervisory Board Members:

Sheikh Azzan bin Nasir Farfoor Al Amri (Chairman)

Holding bachelor's degree in Islamic Studies and with a specialisation in Judiciary, Sheikh Azzan bin Nasir Farfoor Al Amri works as the secretary general to the Grand Mufti of the Sultanate of Oman in the Fatwa Section since 2001. He is also well versed in Shari'ah Law, having done numerous courses in relevant fields and participated in many related workshops and conferences.

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Dr. Mudassir Siddiqui (Deputy Chairman)

Dr. Mudassir Siddiqui is an internationally renowned expert of Islamic Studies and Western laws. He did his PhD in law from Chicago Kent College of Law, USA; Master of Law from Harvard Law School, USA; and Islamic Studies from, Islamic University of al-Madina al-Munawwarah, Kingdom of Saudi Arabia. He is a member of the AAOIFI Shari'ah Standards Committee; the Fiqh Council of North America; and a Research Fellow at the International Shari'ah Research Academy for Islamic Finance in Malaysia. He has more than 30 years of experience in providing Shari'ah and Law consultancy, Islamic banking documentation, research, lectures and arbitration for more than 40 worldwide organizations, universities and research centres.

Sheikh Al-Mu'tasim Said Al Maawali (Member)

Al-Mu'tasim Said Al-Maawali is a religious supervisor working for The Omani Studies Centre at Sultan Qaboos University. He holds an MA degree in Islamic Studies from the University of Birmingham, 2016. Al-Mu'tasim authored a seven-volume series in Islamic Jurisprudence called al-Mu'tamad, including the sixth volume in Islamic Financial Transactions, and the seventh in Islamic Banking. In 2016, he published his English book Articles on Ibādī Studies. In February 2017, he published his translation of the first volume 'The Reliable Jurisprudence of Prayer' from Arabic into English. In 2019, he also translated 'Christians in Oman' from English into Arabic. Al-Mu'tasim presented some academic papers at some international conferences in Islamic Studies, including TIMES 2017 at Birmingham University and BRISMES 2018 at King's College London, and BRISMES 2019 at the University of Leeds.

Sheikh Fahad Mohamed Hilal Al Khalili (Member)

Sheikh Fahad graduated from the Florida Atlantic University USA after which he joined the Central Bank of Oman (CBO), where he was part of Treasury and Investment Division. Thereafter, Sheikh Fahad joined Al Madina Investment where he quickly became the Deputy General Manager of Investment Banking. His key responsibilities included portfolio management, promotion of Greenfield ventures and handling high net worth individuals. Recently, Fahad founded Bayan Investment House, which is focused on building long term relationships by provided investment banking and advisory services.

Sharia Supervisory Board attendance & remuneration for 2021

Table 5 : Attendance & Remuneration – Shari'ah Supervisory Board for year 2021							
Name of Sharia Board Members	28-Jan-21	11-Feb-21	09-Jun-21	06-Oct-21	Attended	Meeting allowance in USD	Annual Remuneration in USD
Sheikh Azzan bin Nasir Al Amri	✓	✓	✓	✓	4	4,000	40,000
Dr. Muddassir Siddiqui	✓	✓	✓	✓	4	4,000	30,000
Sheikh Al-Mu'tasim Al Maawali	✓	✓	✓	✓	4	4,000	20,000
Sheikh Fahad Mohamed Al Khalili	✓	✓	✓	✓	4	4,000	20,000

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4. Management Team:

The management of the Bank has been entrusted by the Board to a Management Team. The top management team has over 200 years of banking expertise between them. The top management keeps the Board of Directors informed on all issues concerning the operations of the Bank and takes directions from the Board on matters that concern and affect the business of the Bank and the objectives it should pursue. In the interest of good governance, the top management places all the key information before the Board, where it forms part of the agenda papers.

4.1 Profile Senior Management Team (as of December 31st, 2021):

Mr. Ahmed Jafar Al Musalmi

Chief Executive Officer

Mr. Ahmed Al Musalmi joined Sohar International in May 2018 as the Chief Executive Officer. He has been a catalyst in the bank's transformation and a proven leader who combines business vision and people skills. Mr. Musalmi has more than two decades of experience. He is a results oriented and strategic thinker with extensive industry and functional expertise that includes Wholesale Banking, Capital Markets, Retail Banking and Wealth Management, Trade Finance, Risk Management, Operations Management, Information Technology, Human Resources, Finance and Strategy Development & Business Planning.

Mr. Al Musalmi is a talented leader who uses keen analysis & insights, and team approach to drive organizational performance and motivate employees to peak performance. He held leadership positions and has worked across several national and international financial institutions in his career. He was the CEO and successfully led transformation of National Bank of Oman prior to his move to Sohar International.

Mr. Al Musalmi is a graduate of Harvard Business School and holds an MBA degree with distinction from the University of Bedfordshire, UK. He also holds an International Diploma in Financial Services. Mr. Al Musalmi is a Chartered Market Analyst with Financial Analyst Designate, a Chartered Portfolio Manager and a Chartered Wealth Manager to add on to his wealth of expertise. He is a fellow of the American Academy of Financial Management and has been a part of several advanced programs including in IMD-Switzerland and Stanford Graduate School of Business-USA. Mr. Al Musalmi is the Deputy Chairman of ASYAD Group and Chairman of its Board Audit Committee. He is also a board member of the College of Banking and Financial studies' board.

Mr. Khalil Salim Al Hedaifi

Chief Retail Banking Officer

Mr. Khalil joined Sohar International in October 2018 as the Chief Retail Banking Officer. One of his key responsibilities is to develop the bank's business franchise. With over 19 years of experience, Mr. Khalil is a dynamic leader with pioneering experience in achieving business growth objectives in mid-sized as well as large, established organizations. His vast experience brings him expertise in banking business in general and in areas of Retail Banking, Wealth Management, Strategic Planning, Product Management, and People Management. He started his career in the year 2000 with a local bank in Oman and has worked with other national and international banks in Oman and Qatar throughout his professional life before joining Sohar International as the Retail Banking Division Head.

Mr. Khalil holds an MBA degree from Northampton University and has also received an Administration Certificate from Oxford Cambridge and RSA.

Mr. Manish Dhameja

Chief Wholesale Banking Officer

Mr. Manish is a seasoned banking professional with over 23 years of working experience, during which he worked in UAE, Africa & across various cities in India. He is an Engineer, MBA & CFA. He has joined from Standard Chartered Bank, where he held multiple leadership roles and led many businesses & large teams. Mr. Manish strength lies in establishing and growing new and large businesses, improve business profitability, client connections and team engagement.

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Ewan John Macleod

Chief Transformation Officer

Mr. MacLeod joined Sohar International on February 2020 as Chief Transformation Officer. With over 24 years of experience in leading digital transformation in large global banks and organizations, Mr. MacLeod complements the Executive Management Team in driving the Bank's transformation & digitization agenda. His wealth of experience includes strategy, delivery and prioritization of digital transformation capable of supporting users and transactions, thereby adding value for the Bank's stakeholders.

Prior to joining Sohar International, Mr. MacLeod played key leadership positions in several international organizations such as Nordea Bank AB in Denmark and Royal Bank of Scotland. He is a seasoned corporate entrepreneur, and holds a Bachelor of Science degree in Information Management from University College London.

Mr. Abdul Wahid Al Murshidi

Chief Islamic Banking Officer

Mr. Abdul Wahid has been associated with Sohar International since July 2019. Coming with over 18 years of professional experience across different functions of the Banking sector including Audit, Finance, Investment, and Islamic Banking. Prior to his role in Sohar International, he was the Deputy General Manager at one of the prominent local Islamic banks.

Mr. Abdul Wahid holds an EMBA degree from London Business School and has completed his Bachelors in Science from Sultan Qaboos University (SQU).

Abdulali Abdullah Al Lawati

Chief Corporate Services Officer

Mr. Abdulali Al Lawati Joined Sohar International in August 2008, he holds the position of Chief Corporate Services officer at Sohar International. He comes with over 38 years of experience in varied industries including Education, Administration, Corporate Governance, Corporate Support, IT, and Management, before joining the Banking sector. Coming with such diverse experience, he is involved in the Re-structuring, Implementation of Strategies and in Facilitating Change Management within the organization. He is also a certified Islamic Banker and was part of the Islamic Banking Formation Committee, as well as held leadership roles in a prominent local bank before joining Sohar International. Mr. Abdulali completed his ILM IMQ Diploma in Management. He was subsequently awarded 'The Level 7 Diploma in Strategic Management and Leadership' from the Chartered Management Institute (CMI), UK and is a member and fellow of CMI.

Craig Barrington Bell

Chief Financial Officer

Mr. Craig Barrington Bell joined Sohar International as Chief Financial Officer in January 2019 bringing with him over 25 years of banking experience; 15 of which have been in CFO roles with HSBC and Deutsche Bank including three years as CFO of the Saudi British Bank. Mr. Bell has extensive finance background and deep experience of managing complex international businesses across dynamic and changing markets. Commencing his banking career with Citibank in 1985, Mr. Bell has a plethora of technical and management skills in financial and regulatory reporting, management reporting, financial analytics, system infrastructure & controls, balance sheet management, strategic planning, investor relations and tax. Prior to joining Sohar International, Mr. Bell served for over 2 years as CFO with Al Hilal Bank (Abu Dhabi). He is a distinguished member of the Institute of Chartered Accountants of Australia & New Zealand and graduated from Auckland University with a Bachelor of Commerce degree majoring in Accounting.

Mr. Khalid Khalfan Rashid Al Subhi

Chief Compliance Officer

Mr. Khalid joined Sohar International in December 2016. He has over 19 years of extensive experience as a Central Banker in various domains like Banking, Insurance and administration. His experience and responsibilities included conducting risk based examinations/audits, corporate governance, Capital adequacy, various business processes, control framework, and much more.

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Mr. Khalid holds a Bachelor's degree in Banking and Financial Sciences (CBFS) from the Arab Academy for Banking and Financial Sciences, and has completed his Higher Diploma in Administrative Procedures from the South Devon College, UK.

Mr. Elsamawal Abdulhadi Idris

Chief Legal Officer & Board Secretary

Mr. Elsamawal joined Sohar International in July 2013, and holds the position of Chief Legal Officer & Board Secretary in the bank. With over 18 years of experience in the legal profession during which he helped organizations and clients doing to business in a legal and compliant way and was able to prove himself consistently in major transactions and disputes. He is signaled out by legal directories as an individual with exceptional understanding of Oman's banking system and commended for his wide-reaching initiatives to improve efficiency and performance in his function.

Mr. Elsamawal, holds Master's degree 'LLM' and Bachelor's degree 'LLB' in the field of law from the University of Khartoum, Sudan.

Mr. Hamood Khalfan Badar Al-Aisri

Chief Internal Auditor

Mr. Hamood is a qualified Chartered Certified Accountant with over 25 years of professional experience across different functions of the Banking sector. He has been associated with Sohar International since December 2020 and prior to his current role in Sohar International, he was Chief Internal Auditor in one of the local banks.

Mr. Hamood holds Senior Leadership qualification from London Business School, and Islamic Financial qualification from Chartered Institute of Investment & Security – UK.

Mr. Majid Nasser Khamis Al Busaidi

Chief Risk Officer

Mr. Majid joined Sohar International in November 2020 as Chief Risk Officer. He has over 17 years of professional experience across different functions of the Banking sector. His experiences and responsibilities include, developing risk management strategies, overseeing and assessing the bank's risk mitigations both internally and externally, and reporting to the Board of Directors. Prior to his role in Sohar International, he was Heading the Division of Credit Review in a popular Omani bank.

Mr. Majid holds a Bachelor Degree in Finance from College of Economy and Political Studies at Sultan Qaboos University (SQU).

Ms. Mahira Saleh Abdul Nabi Al-Raisi

Chief Human Resources Officer

Ms. Mahira joined Sohar International in October 2007, and currently holds the Chief Human Resources Officer role. With an extensive experience of over 21 years in managing Human Resources in the Banking sector, she has supported the achievement of the Bank's strategy successfully through the deployment of the best Human Capital Management Policies & Practices in line with the Bank's strategic Objectives. Responsible for developing and executing Human Resource Strategy in support of the overall business plans, specifically in the areas of talent acquisition, talent Management, succession planning, change management, Organizational & Performance Management, capability development and total rewards.

Ms. Mahira holds a Bachelor's Degree and Diploma in Human Resources Management & Development from University of Leicester-UK. She also holds a Post Graduate Diploma in Management from Institute of Leadership & Management and Leading Strategy Execution Certificate in Financial Services from Harvard Business.

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Ms. Mahira Al Raisi is the Deputy Chairman of Human Resources Committee of Oman Banker's Association. She is also a member of College Advisory Committee in College of Banking and Financial Studies in Oman.

4.2 Remuneration of senior managers for the year 2021:

The total remuneration paid/accrued to the top seven (7) management executives of the Bank for the year 2021 was Rial Omani 1,948,000/- This remuneration includes salary, allowances, gratuity, pensions and performance related incentives.

5. Procedures for standing as candidate for the Board of Directors:

The Board of Directors is elected by the shareholders of the Bank at the Annual General Meeting. The term of office of the Board of Directors is for a maximum period of three years, subject to re-election. The Board reports to the shareholders at the Annual General Meeting (AGM) or specially convened general meetings of the shareholders. The meetings of the shareholders are convened after giving adequate notice and with detailed agenda notes being sent to them. The Board comprised of seven members, elected by the shareholders at the Bank's AGM on 31 March 2019 for a period of three years. The Board exercised its right to appoint alternate directors to fill vacant seats of the Board.

The election process is through direct secret ballot by the shareholders of the bank, where each shareholder shall have a number of votes equal to the number of shares held by them. Every shareholder shall have the right to vote in entirety to one candidate or divide the shares amongst the nominees, subject to the stipulation that the total votes cast shall not exceed the number of shares owned by such shareholders.

The entire process of nomination and election of the Board of Directors, including the eligibility criteria, is governed by Article 6 of the Bank's Articles of Association, as well as in compliance with the relevant provisions of the Commercial Companies Law of the Sultanate of Oman, the Code of Corporate Governance for General Omani Joint Stock Companies (S.A.O.G.) issued by the Capital Market Authority and the relevant guidelines issued by the Central Bank of Oman.

6. Dividend Policy:

The Bank's dividends policy complies with the CBO and CMA guidelines. The Board of Directors follow a conservative dividend policy and recommend on the distribution of the dividends to the shareholders after due consideration of the regulatory guidelines, the future growth expectations and other factors.

7. Statement of Compliance:

The Board of Directors of the Bank have been appointed in line with the guidelines of the Commercial Companies Law of Oman and in accordance with the regulations of the Central Bank of Oman. The Board of Directors has complied with all the guidelines for the appointment of Directors prescribed by the Commercial Companies Law of Oman and the Central Bank of Oman's regulations with reference to eligibility.

The Board of Directors of the Bank consists of seven directors from among shareholders and non-shareholders. The Directors of the Bank affirm that no member of the Board:

- Is an employee of the Bank or an employee of any other bank in the Sultanate of Oman.
- Is on the Board of any other Bank registered in the Sultanate of Oman.
- Sits on the Board of more than four joint stock companies registered in Oman.
- Is a Chairman of more than two joint stock companies registered in Oman.

During the year under report, the Bank has complied with the directives of the CMA, Rules and Guidelines on Disclosure by Issuer of Securities and Insider Trading, the Guidelines of the Commercial

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Companies Law and the Code of Corporate Governance of the Capital Markets Authority for listed companies, except for the following:

- The Chairman of the Board Audit Committee is also a member of the Board Risk Management Committee and the Executive, Nomination and Remuneration committee. This is due to the limited number of Board Members as compared to the number of board committees, required to be formed by the Board of Directors.
- Timely Disclosure of Material Information.

In the last three years, the Bank paid a total amount of OMR 80,275.88 in penalties to both the Central Bank of Oman “CBO” and the Capital Market Authority “CMA”. The CBO penalties for the year 2021 were ranging from High to Low risk categories; mainly for non-compliance with specific lending practices and asset related limits. The Bank has addressed the issues and is taking time bound rectification measures.

8. Channels of Contact with Shareholders and investors:

Sohar International has endeavored to establish meaningful relations with its shareholders and investors. The Bank is committed to ensure timely disclosure and communication of all material to the shareholders and the market regulators. The Bank has provided investor related information in the quarterly, half-yearly reports and the Annual Report as per the statutory guidelines and the terms of the Bank’s listing agreement.

The Annual Report includes *inter alia*, the report of the Board of Directors, Corporate Governance report, Management Discussion and Analysis report and the Audited Financial results. The management has taken the responsibility for the preparation, integrity and fair presentation of the financial statements and other information in the Annual Report of the Bank. The summary of Annual Report will be sent to all shareholders of the Bank in line with the rules for the same as stipulated by the Capital Markets Authority. Additionally the bank has posted the financial statements on its website www.soharinternational.com.

8.1 Sohar International Shares - Market Price

Monthly share prices of Sohar International’s shares quoted at the Muscat Securities Market (MSM) and the bands for the banking sector stocks on the MSM. (This information is available from news agencies and it is a published information. This is given here as part of the requirements of the Code of Corporate Governance for MSM listed companies. This is not a solicitation in any manner to subscribe to the Bank’s shares.) The following table represents monthly share prices of Sohar International SAOG as listed with Muscat Security Market “MSM” (Par value of share is 100 Baizas/ share)

Month 2021	Sohar International Share price Rial Omani			MSM Banks & Investment Index closing
	High	Low	Closing	
January	0.097	0.085	0.089	5492.6120
February	0.085	0.073	0.080	5429.1420
March	0.093	0.080	0.086	5699.7270
April	0.093	0.088	0.089	5822.3470
May	0.093	0.085	0.088	5979.8480
June	0.100	0.090	0.096	6466.0740
July	0.098	0.092	0.095	6445.9090
August	0.096	0.091	0.093	6321.7770
September	0.094	0.090	0.090	6235.6740
October	0.105	0.089	0.103	6402.5650
November	0.114	0.100	0.105	6371.8880
December	0.117	0.104	0.116	6577.9230

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8.2 Distribution of share ownership

The authorized share capital of the Bank is 4,000,000,000 shares (31 December 2020: 4,000,000,000). The issued shares of the Bank are 2,990,062,290 shares (31 December 2020: 2,434,506,735 shares). The paid up share capital of the Bank is RO 295.355 million (31 December 2020: RO 245.355 million).

As of 31 December 2021, the following shareholders held 5% or more of the Bank's capital:

Name of Shareholder	Percentage of Shareholding
OIFC	15.4246
Royal Court Affairs	16.38665
Seventh Moon Investment LLC	9.02803
Neptune National Investment company LLC	7.81079
Western Sea Investments LLC	7.60147
MARS Development and Investment LLC.	6.8343
Oman Investment Authority /1	5.23736

9. Statutory Accounts:

The Bank has adopted the International Financial Report Standards ("IFRS") in the preparation of its accounts and financial statements.

10. Auditor's Profile:

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Deloitte Middle East is a leading professional services firm established in the Middle East region with uninterrupted presence since 1926. DME's presence in the Middle East region is established through its affiliated independent legal entities, which are licensed to operate and to provide services under the applicable laws and regulations of the relevant country. DME's affiliates and related entities cannot oblige each other and/or DME, and when providing services, each affiliate and related entity engages directly and independently with its own clients and shall only be liable for its own acts or omissions and not those of any other affiliate.

During the year 2021 an amount of RO 106,195/- was charged by external auditors against the services rendered by them to the organization (RO 90,195/- for audit of bank's conventional and Islamic banking operations, RO 14,000/- for Sharia audit and RO 2,000/- for tax services).

11. Rights of Shareholders:

All the Bank's shares shall carry equal rights which are inherent in the ownership thereof, namely the right to receive dividends declared and approved at the general meeting, the preferential right of subscription for new shares, the right to a share in the distribution of the Bank's assets upon liquidation, the right to transfer shares in accordance with the law, the right to inspect the Bank's statement of financial position, statement of comprehensive income and register of shareholders, the right to receive notice of and the right to participate and vote at general meetings in person or by proxy, the right to apply for annulment of any decision by the general meeting or the Board of Directors, which is contrary to the law or the Articles of the Bank or regulations, and the right to institute actions against the directors and auditors of the Bank on behalf of the shareholders or on behalf of the Bank pursuant to the provisions of the Commercial Companies Law and its amendments. Sohar International gives minority shareholders prime importance in terms of safeguarding their interests and ensuring that their views are reflected in shareholders' meetings. The "one share one vote" principle applies to all shareholders so that minority shareholders can nominate members of the Board and can take action against the Board or the management if the actions of the Board or management are in any way prejudicial to their interests.

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12. Related Party Transactions, Dealings and Policy:

There is a comprehensive policy on related party dealings, and processes and procedures laid down which are followed in the matter of all loans and advances given to directors and their related parties and also any transactions with companies in which directors have a significant/ controlling interest. Details of loans and advances, if any, given to any Director or his related parties are furnished with full details in the notes to the financial statements given in the annual report as public disclosures. Any other transactions with Directors carried in the normal course of business and without any preferential treatment are disclosed to the shareholders along with the agenda notes for the AGM.

13. Conclusion:

The Board of Directors acknowledge that the preparation of the Annual Report of the Bank together with the Management Discussion and Analysis Report, the Corporate Governance Report and the audited financial statements has been done with their full knowledge and in line with the standards for accounting and the statutory rules governing disclosure by the Capital Markets Authority and the Central Bank of Oman.

The Board of Directors also acknowledge that there is no material information and material things that will in any way affect the continuation of the business of the Bank in the coming financial year.