Report of Corporate Governance for 2016

Company's philosophy on Code of Corporate Governance

Oman Cables Industry SAOG (OCI) is committed to adhere to the highest standards of Corporate Governance. OCI believes that the process of Corporate Governance enables it to control and direct the operations making it more efficient. Implementation of the Code of Corporate Governance protects all stakeholders of the company.

OCI's Corporate Governance Structure is based on the Code of Corporate Governance issued by Capital Market Authority (CMA).

The Directors and management of OCI adapts the following main pillars:

- Transparency regarding sharing of information with stakeholders
- Accountability towards stakeholders
- Fairness in dealing with all Stakeholders
- Responsibility to perform the duties with honesty and integrity
- Acting with prudence, care & diligence
- Placing the Company & community interests ahead of personal Interests

The Company's has applied the above principles through a combination of measures like:

- Instituting Internal Regulations and Operating Procedures - through the Human Resource Manual, Operations Manual for Finance, Sales and Marketing, Procurement and Supply Chain, documented Quality Management System and other policies
- Monitoring adherence to the Internal Regulations and Operating procedures through frequent internal checks, conducting Internal and external Audit, carrying out regular Quality System, allowing customers to conduct quality and compliance
- Regular management reviews and structured written reports by Management to the Board.
- Periodical communication with shareholders
- Adherence to the process of nomination and election of Directors laid down by CMA, thus ensuring that the Board is constituted of skilled Directors to oversee the company operations
- Ensuring the compliance with relevant laws and regulations.

The Company has set up Audit Committee Charter, Internal Audit Charter, Disclosure and Insider Trading Policy, Strategic Management Committee Charter all duly approved by the Board and which and are all based on the regulations of the CMA.

Board of Directors

The Board of Directors is elected by the shareholders of the Company at the Annual General Meeting (AGM). The Board is elected for a three year term. The Board reports to the shareholders at the AGM. The Board comprises of seven Directors.

Following are the relevant details of the Directors as on 31 December 2016:

Name	Designation	Category	No. of Board Meeting Attended	AGM attended
Fabio Ignazio Romeo	Chairman	Non-executive Non-independent	8	Yes
Lara Caroline Mahmoud-Hansen	Vice Chairman	Non-executive Independent	8	Yes
Mohamed Mustafa Al Lawati	Director	Non-executive Non-Independent	8	No
Hamad Mohammad Al Wahaibi*	Director	Non-executive Independent	6	NA
Christian Raskin	Director	Non-executive Independent	5	Yes
Mahmut Tayfun Anik	Director	Non-executive Non-Independent	7	Yes
Michele Binda*	Director	Non-executive Non-Independent	6	NA
Hussain Salman Al Lawati*	Director	Non-executive Non-independent	--	NA
Abdul Amir Saied Mohamed*	Director	Non-executive Independent	1	NA

*For part of the year

Please note that the Company is applying the definition of independent directors as per the revised Code of Corporate Governance for Publicly listed Companies announced by the Capital Market Authority in July 2016.

The following changes took place in the Board of directors during 2016:

1. Mr. Hussain Salman Al Lawati resigned on 4 January 2016
2. Mr. Michele Binda was appointed as a temporary Director on 20 January 2016 and was later elected as a director in the Annual General Meeting held on 7 March 2016
3. On 28 March 2016, the Director's seat of Mr. Abdul Amir Bin Saied Bin Mohamed (Independent Director and Chairman of Audit Committee) was considered vacant in accordance with the applicable rules and principles of the Code of Corporate Governance due to a conflict arising from a first degree relation with a senior executive employee of the company. Mr. Hamad Mohammad Al Wahaibi was appointed as a temporary director on 14 April 2016 till the date of next Annual General Meeting.

The Board of Directors also hold the following positions in other Companies / Organisations:

Name of Director	Designation in other Companies	Name of Company
Fabio Ignazio Romeo Chairman	Chief Strategy Officer Director Director Director Director Member of the Comite de Controle Director Director Director Representative of Draka Holding B.V. Director Vice President Director Member of the Supervisory Board	Prysmian Group Centro Elettrotecnico Sperimentale Italiano Giacinto Motta S.p.A. Prysmian (China) Investment Co. Ltd Prysmian Angel Tianjin Cable Co. Ltd. Prysmian Tianjin Cable Co. Ltd. Prysmian Cables et Systemes France S.A.S. Prysmian Power Cables and Systems Canada Prysmian S.p.A. Draka Cableteq Asia Pacific Holding Pte. Ltd. Turk Prysmian Kablo ve Sistemleri A.S Prysmian Cables and Systems Ltd. Elkat Ltd. Prysmian Baosheng Cable Co. Ltd. Prysmian Netherlands Holding B.V. .
Lara Caroline Mahmoud-Hansen, Vice Chairman	General Manager	Feed & Agricultural Suppliers Services Co. LLC
Mohamed Mustafa Al Lawati Director	Chief Executive Officer	Al-Saleh Group
Hamad Mohammad Al Wahaibi* Director	Investment Manager Director Director Director	Ministry of Defense Pension Fund Galfar Engineering and Con. Voltamp Energy National Bank of Oman
Christian Raskin Director	Director	EVS Belgium
Mahmut Tayfun Anik Director	Director - Joint Venture Management Director	Prysmian SpA Ravin Cables Ltd (India)
Michele Binda Director	Executive Senior Legal Counsel	Prysmian SpA

Mr. Fabio Ignazio Romeo – Chairman is the Senior Vice President Business Energy of Prysmian since July 2011. He did his graduation in Electronic Engineering from Milan's Polytechnic University in 1979, then obtained an M.S. and a Ph.D. in Electrical Engineering and Computer Sciences at the University of California in Berkeley. He began his career at Tema (ENI Group) as control expert for

chemical plants, in 1982 he moved to Honeywell as a technical advisor to the Group's CEO. In 1989 he joined Magneti Marelli as Innovation Manager of the Electronics division, later becoming Director of the Electronics Systems division. In 2001 he moved to Pirelli Group, where he held the position of Director in charge of the Pirelli Tyre division's Truck business unit. In 2002 Dr. Romeo moved to the Energy Cable Sector where he has been appointed Utility Director, Sales and Marketing Director position he held until the current assignment.

Mrs. Lara Caroline Mahmoud-Hansen – Vice Chairman and Independent Director has a Bachelor of Arts from the University of Wisconsin and Juris Doctor from Rutgers University, New Jersey. She has practiced Oman corporate and commercial law for 15 years, specialising in corporate governance. Mrs Hansen was the principal external legal advisor to Oman Cables Industry SAOG from 1998 to 2011. She is currently an owner and the general manager of Feed & Agricultural Suppliers Services Co LLC.

Mr. Mohamed Mustafa Al Lawati - Director, holds a Bachelor degree in Mechanical Engineering from University of Manchester, UK. He has 5 years engineering experience in Petroleum Development Oman (PDO). He has also held various positions in Oman Cables Industry SAOG for 5 years, latest as General Manager – Sales & Marketing and General Manager - Corporate Projects. Currently he is the CEO of Al-Saleh Group.

Mr. Hamad Mohammad Al Wahaibi - Independent Director, appointed by the Board of Directors as a temporary independent director till the coming general meeting of shareholders in 2017.
Holds a Bachelor degree in trade and commerce and an MBA in finance.
Investment Manager at Ministry of Defense Pension Fund
Director in Galfar Engineering and Cons., Voltamp Energy and National Bank of Oman
Chartered Financial Analyst (CFA) Charterholder,
Chartered Alternative Investment Analyst (CAIA) Charterholder
He has 16 years' experience in areas of investment, assets management and business development.

Mr. Christian Raskin – Independent Director, holds a Masters in Economics from the Catholic University of Leuven in Belgium and a Degree in Accountancy from St Mary institute in Liège. He was the co-founder of Zetus Industries for 9 years, later as Managing Director of Draka Holding until 2009. He was also the chairman of Europacable and Member of the board of ICF. He serves on the board of three private companies outside Oman.

Mr. Mahmut Tayfun Anik – Director, holds a BA degree in Business Administration from Bogazici University in Turkey. He has over 30 years of experience at various positions in the Prysmian Group.

Mr. Michele Binda – Independent Director, Executive senior legal counsel at Prysmian SpA with extensive national and international experience in dealing with corporate and commercial legal affairs developed by working more than 10 years as an in-house business lawyer. Specialized in contract drafting and negotiations, special projects (merger & acquisition, joint venture's establishment and management, EPC contracts, etc.) judicial and arbitral litigation management, corporate and intellectual property laws and compliance. He has extensive knowledge and experience on competition laws.

Mr. Hussain Salman Al Lawati – Director, (resigned from the Board of Directors of OCI on 4 January 2016), is the co-founder of Oman Cables in 1984. He has a rich Business experience of 52 years in the electrical and lighting Industry including 32 years in Oman Cables Industry where he held the position of the Vice Chairman and Managing Director from pre establishment stage in 1983 till 2012 and continued the Managing Director position till 25 July 2013. He has established a few electrical trading enterprises in Oman and UAE. He has developed the first Aluminum rod industry in Oman known as OAPIL, at Sohar (Oman Aluminum Processing Industries LLC) he was driving force and the Chairman of the company till early August 2013, further he is primer partner and Chairman of Bin Salman Group companies, the company is in electrical and lighting trading Business, besides property development and industrial investment.

On his social involvement, he was the first Chairman of the Omani Australian Business council till 2013 at the Oman Chamber of Commerce. He was holding a board member position in the Oman Chamber of Commerce from 1995 till 2003. He was the chairman for the Industrial Committee of the Oman Chamber Of Commerce for the period of eight years as well he was Member industrial Development at the Ministry of Commerce and Industry from 1996 till 2003 and is continuing his contribution as an expertise member. He is also Chairman of Investment Group Development at the Public Authority for Investment Promotion and Export of the Government of Oman. He is also a member of the Omani Dutch Business council and a member of the Omani Tunisian Friendship Association. He was selected as finalist in 2012 for the prestigious Entrepreneur of the Year Award for the year 2011 conducted by Ernst & Young of Oman on 17 March 2012. He was also selected for coveted Global Omani of the Year 2012 award organized by AIWA.

Mr. Abdul Amir Saied Mohamed, (Director till 28 March 2016), holds a Masters in Business Administration from the Oxford Brookes University, UK. He has also been a Member of the Association of Accounting Technicians since 1979. He worked for ten years as Deputy Chief Executive Officer at the State General Reserve Fund. He is a Director of Sembcorp Power and Water Co Salalah SAOG, Oman Fisheries Co. SAOG and Muscat Finance SAOG. He held Directorship of various public limited companies in the past, in and outside the Sultanate of Oman.

Company Management

The names, designations, description of responsibilities in Oman Cables and brief profile of the Company Management personnel is as follows:

- Gert Hoefman is the Chief Executive Officer of the Company as of January 2013. He has over 25 years of experience in the cable business and worked with Prysmian at various executive management positions.
- Manoj M. Vaidya, General Manager - Corporate Finance has experience of 34 years, of which 29 years at executive management levels. Responsible for Finance and Risk Management functions.
- Louis Dupreez, General Manager - Sales and Marketing has experience of 37 years in industry, of which 27 years at executive management levels. Responsible for Sales, Marketing and Customer Service.
- Ahmed Farooqui, General Manager - Procurement and Supply Chain has experience of 34 years in industry, of which 22 years at executive levels.
- Mohammed Hashim Al-Shahab, General Manager - Human Resources, Administration & Security has experience of 16 years, of which 7 years at executive levels

- Muhanned Al-Lawati, General Manager - Production has experience of 9 years, of which 5 years at executive levels
- Sajid Ali, General Manager - Information Technology has experience of 26 years, of which 18 years at executive levels
- Antony Douglas Falconer, General Manager - Cable Engineering and Development, has experience of 30 years, of which 21 years at executive levels

Board Meetings held during the year:

During the year 2016 the company held eight Board Meetings on the following dates:
20 January 2016, 14 April 2016, 20 April 2016, 14 July 2016, 18 October 2016, 19 October 2016, 22 November 2016 and 13 December 2016.

In the meetings held on 14 April 2016 and 22 November 2016, a few Board members attended via video conferencing.

The meetings were coordinated by the Board secretary who was appointed as required by the applicable rules and regulations. The meetings were conducted with an agenda and proceedings were minuted. Management reports were reviewed during the meeting. All related issues were also discussed regarding the operations of the company.

Committees of the Board of Directors:

During the year, there were three committees of the Board which provided able support to the Board for carrying out its responsibilities. The Three committees and their main responsibilities are as follows:

Audit Committee
In line with the regulations issued by the Capital Market Authorities, the company has formed an Audit Committee. The Audit Committee approves the audit plan for the year, reviews the report of Auditors, issues guidance to management and oversees that operating management is adhering to company policies.

The Audit Committee comprised of four Non-executive members including three Independent Directors:

Name	Designation	No. of meetings attended
Hamad Mohammad Al Wahaibi*	Chairman	3
Lara Caroline Mahmoud-Hansen	Member	4
Christian Raskin	Member	3
Mohamed Mustafa Al Lawati	Member	4
Abdul Amir Saied Mohamed*	Chairman	1

*For part of the year

During the year 2016, Audit Committee met and conducted four meetings on the following dates, 18 January 2016, 19 April 2016, 13 July 2016 and 17 October 2016.

The Committee has reviewed the internal audit reports, enterprise risk management report, draft whistleblowing policy, related party transactions, and new ERP system during the period. The Committee issued necessary guidance to the executive management. The Audit Committee reviewed the quarterly accounts before the same was put up to the Board of Directors for approval.

Strategic Management Committee

The Board has constituted "Strategic Management Committee" to develop and oversight the company's strategic plan and to maintain a cooperative, interactive strategic planning process with management, including the identification and setting of strategic goals and expectations.

The following are the members of the Strategic Management Committee

Name	Designation	No. of meetings attended
Christian Raskin	Chairman	3
Fabio Ignazio Romeo	Member	4
Mohamed Mustafa Al Lawati*	Member	3
Gert Hoefman	Member	4
Manoj M. Vaidya	Member	4

*For part of the year

During the year 2016, Strategic Management Committee conducted four meetings on the following dates, 18 January 2016, 19 April 2016, 13 July 2016 and 18 October 2016.

The Committee reviewed market studies on different market segments and new markets as presented by the management. The Committee discussed strategic plans for the company.

Nomination and Remuneration Committee

The Board constituted "Nomination and Remuneration Committee" to assist and advise the Board on matters relating to the remuneration of the Board, and the performance and remuneration of Executive management and Chief Executive Officer along with assisting on nomination of Directors and senior executive management.

The following Directors are the members of the Nomination and Remuneration Committee:

Name	Designation	No. of meetings attended
Lara Caroline Mahmoud-Hansen	Chairman	3
Mahmut Tayfun Anik	Member	3
Michele Binda*	Member	2
Abdul Amir Saied Mohamed*	Member	--

*For part of the year

During the year 2016, the Nomination and Remuneration Committee conducted three meetings on the following dates, 19 January 2016, 18 April 2016 and 17 October 2016.

Process of nomination of the Directors

The Company follows the guidelines issued by the Commercial Companies Law, Code of Corporate Governance and CMA in this regard. The Company has made efforts to have a Board with appropriate skills, experience and vision.

Remuneration matters

Director's remuneration:

Apart from remuneration derived as "Sitting Fees" of RO 2,200 for (arrived at, in line with the Articles of Association of the company and as approved in the previous Annual General Meeting wherein the shareholders has approved the recommendation of the Board of Directors stating that from the last board and committees meetings held on 20 January 2016 and onward no sitting fees will be paid) Board Meetings and Audit Committee Meetings attended and the proposed Director's remuneration of RO 197,800, the Directors have no other pecuniary relationship or transaction with the company. The total remuneration and sitting fees paid/accrued to the Board of Directors in 2016, is as per the maximum total limit prescribed by the Commercial Companies Law No. (4/1974) as amended by the Royal Decree No. (99/2005).

Operating Management Remuneration:

Salary and perquisites of the five top senior officers paid / accrued during the year 2016 is RO 633,021 (2015: RO 576,601), which includes RO 520,328 (2015: RO 492,239) as fixed component and RO 112,693 (2015: RO 84,362) linked to the performance in 2015. The severance notice period of all senior employees range from one to three months, with end of service benefits payable as per Omani Labour Law.

Employment Contract
The Company enters into a formal contract of employment with each employee and such contracts are in line with the regulation of Ministry of Manpower and Omani Labour Law.

Details of non-compliance by the Company
There are no penalties imposed by Capital Market Authority or any other statutory authority; on the company regarding any matter, during the last three years.

Means of Communication with Share Holders and Investors

As required by Capital Market Authority, the Company publishes its quarterly, half yearly, three quarterly and yearly financial results in two local newspapers. The financial results are also uploaded on the website of Muscat Securities Market and on the company's website www.omancables.com.

Further the Company also includes a statement in each of these reports that shareholders can obtain further details, if required, from the company registered office and such details are made available to any shareholder who requests for it. Besides this the company, at the end of each year, sends to all the shareholders, financiers and others who are associated with the Company, the Annual Financial Statements by post.

The company has appropriate disclosure policy and adequate procedures are in place to ensure implementation and monitoring of compliance of the policy

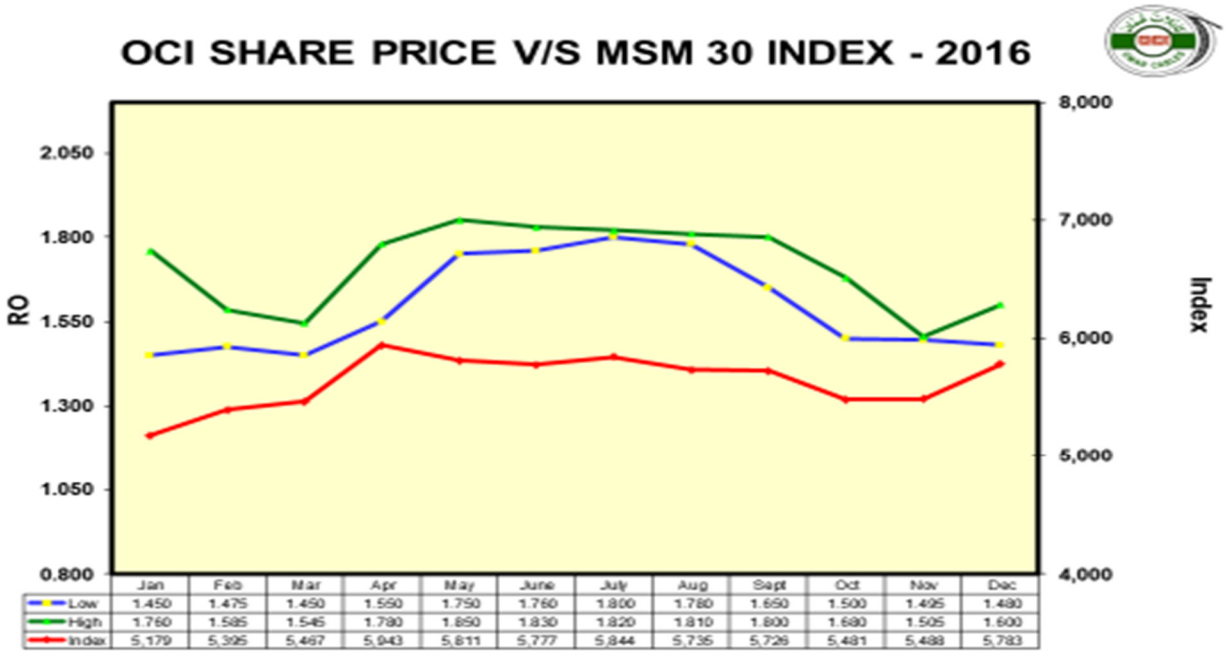
In regard to the Annual audited accounts, after the Annual General Meeting's approval, such financial statements are published in two local newspapers and submitted to Capital Market Authorities. This information is also posted on the Company's website.

All relevant major events impacting the company are conveyed to the Capital Market Authority.

The Annual Report contains a separate Management Discussion and Analysis report.

Market price data

During the period 2016 the share price of RO 0.100 face value moved in the range of high of RO 1.850 to a low of RO 1.450. The share price as on 29 December 2016 was RO 1.575.



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Low	1.450	1.475	1.450	1.550	1.750	1.760	1.800	1.780	1.650	1.500	1.495	1.480
High	1.760	1.585	1.545	1.780	1.850	1.830	1.820	1.810	1.800	1.680	1.505	1.600
Index	5,179	5,395	5,467	5,943	5,811	5,777	5,844	5,735	5,726	5,481	5,488	5,783

The distribution of Major Shareholding as on 31 December 2016 is as follows:

Shareholder	% of Shares held of total
Draka Holding NV	51.17%
Mustafa Mukhtar Ali Al Lawati	12.54%

The Company does not have any ADR/GDR/Warrants or any other Convertible Instruments as on 31 December 2016 and hence the likely impact on equity is Nil.

Areas of non-compliance of the provisions of Corporate Governance

There are no areas in which the Company is non- compliant with the provisions of Code of Corporate Governance.

Profile of Statutory Auditors

About Deloitte
Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.
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Deloitte provides audit, tax, consulting, and financial advisory services through 26 offices in 15 countries with more than 3,300 partners, directors and staff. It is a Tier 1 Tax advisor in the GCC region since 2010 (according to the International Tax Review World Tax Rankings). It has also received numerous awards in the last few years which include best employer in the Middle East, best consulting firm, the Middle East Training & Development Excellence Award by the Institute of Chartered Accountants in England and Wales (ICAEW), as well as the best CSR integrated organization.

The Audit fee for the year 2016 is RO 12,800 plus out of pocket expenses limited to RO 500.

Any other Aspects

Internal Auditor

In order to ensure the compliance with statutory regulations and internal controls, the company has a full time internal audit unit, to carry on an independent assessment and reports to Audit Committee.

Board of Directors Acknowledge 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 have 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 ensures that the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the requirements of the Commercial Companies Law of the Sultanate of Oman 1974 (as amended) and the rules for disclosure requirements prescribed by the Capital Market Authority.

There are no material events affecting the continuation of the Company and its ability to continue its operations during the next financial year.

_____	_____
Chairman	**Chief Executive Officer**

(Arabic version prevails over the English)