Report of Corporate Governance for 2018

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.

The Board held seven meetings during the year; following are the relevant details of the Directors and meetings attendance as on 31 December 2018

Name	Designation	Category	No. of Board Meeting Attended	AGM attended
Fabio Ignazio Romeo	Chairman	Non-executive Non-independent	6	Yes
Mohamed Mustafa Al Lawati	Vice Chairman	Non-executive Non-Independent	7	Yes
Lara Caroline Mahmoud-Hansen	Director	Non-executive Independent	7	Yes
Naji Salim Al Riyami *	Director	Non-executive Independent	6	No
Christian Raskin	Director	Non-executive Independent	6	Yes
Michele Binda	Director	Non-executive Non-Independent	6	Yes
Fabrizio Rutschman *	Director	Non-executive Non-Independent	6	Yes
Hamad Mohammad Al Wahaibi *	Director	Non-executive Independent	1	Yes

*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 2015.

The following changes took place in the Board of directors during 2018:

In the Annual General Meeting held on 26 March 2018, Mr. Naji Salim Al Riyami was elected as a Director in place of Mr. Hamad Mohammad Al Wahaibi.

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

Name of Director	Designation in other Companies	Name of Company
Fabio Ignazio Romeo Chairman	Chief Strategy Officer Director Director Director Director Director Director Vice Chairman Director	- Prysmian Group - Centro Elettrotecnico Sperimentale Italiano Giacinto Motta S.p.A. - Prysmian (China) Investment Co. Ltd - Prysmian Cables and Systems Canada S.p.A. - Prysmian S.p.A - Draka Cableteq Asia Pacific Holding Pte. Ltd. - Prysmian Cables and Systems Ltd. - Elkat Ltd. - Corporate Hangar S.r.l.
Mohamed Mustafa Al Lawati.	- Assistant to Chairman - Director - Director	- Al-Saleh Group - Al-Saleh Mauritius - ASE India Pvt. Ltd
Lara Caroline Mahmoud-Hansen,	General Manager	Feed & Agricultural Suppliers Services Co. LLC
Naji Salim Al Riyami	Director	Majan Development SAOC
Christian Raskin	Director	EVS Belgium

Michele Binda	Executive Senior Legal Counsel	Prysmian SpA
Fabrizio Rutschman	Chief Human Resources Officer	Prysmian Group

Mr. Fabio Ignazio Romeo – Chairman (Non-Independent) 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 16 years, specializing 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 – Non-Independent 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 Naji Salim Al Riyami - Independent Director, graduate in Accounting from Portsmouth University in UK. Mr. Al Riyami is a member of the Board of Directors of Majan Development Company SAOC. Mr. Al Riyami, since 2016, is the Head of Local Asset Management in the Public Authority for Social Insurance in the Sultanate of Oman. Prior to joining PASI in 2016, he was a

Portfolio Manager at Bank Muscat Asset Management for 11 years and had worked at KPMG Oman as an Auditor earlier to that.

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 one board for private company outside Oman.

Mr. Michele Binda – Non-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. Fabrizio Rutschmann – Non-Independent Director, graduate in Business Administration from Ca' Foscari University of Venice, with a specialization from SDA Bocconi University of Milan, Fabrizio Rutschmann began his career at the Electrolux Group, where he served in various Human Resources positions before becoming HR Director of one of Uni Credit's seven banks. Joining the Pirelli Group in 1999 as Human Resources Manager of the Tire Business Unit's Italian Division, Rutschmann became Pirelli's Chief HR Officer in 2006.Since June 2010, Rutschmann has been SVP Human Resources & Organization at Prysmian Group. He has over than 29 years of professional experience in leadership of human capital and change management.

Company Management

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

- Ali Habaj is the Chief Executive Officer since July 2017. Ali is a seasoned professional with an experience of more than 25 Years in varied organizations. Mr. Habaj has successfully headed and was instrumental in growing and expanding large manufacturing companies. Earlier, Mr. Ali Habaj was the Chief Executive Officer of Atyab Investments & Oman Flour Mills Co. SAOG. During his tenure through diversification initiatives he was instrumental in growing the

Company three fold over 15 years to become one of the largest and most profitable Food Companies in Oman & the GCC region. Ali Habaj obtained his undergraduate degree from New Hampshire University in the States, MBA from Bristol University in UK and attended the Executive Management Program at Harvard Business School, United States.

- Manoj M. Vaidya, Chief Financial Officer has experience of 36 years, of which 31 years at executive management levels. Responsible for Finance and Risk Management functions.
- Louis Dupreez, Chief Officer - Sales and Marketing has experience of 39 years in industry, of which 29 years at executive management levels. Responsible for Sales, Marketing and Customer Service.
- Ramon Pallares - Chief Operating Officer, with 29 years' experience on the cable industry (24 of them with Pirelli – Prysmian Group) covering international positions of Plant Manager, General Manager, Operations Director, Country Director and Chief Operational Officer at countries like Mexico, Chile, Germany, France, Italy, Czech Republic, China, Philippines, Brazil and now Oman.
- Muhanned Al-Lawati, Chief - Production has experience of 11 years, of which 7 years at executive levels
- Jad Atallah, Chief - Legal & Governance, Company Secretary. Holds a PhD degree in law, joined the company in 2010 and has experience of 14 years.
- Wael Coutry, Chief - Processes and Digital. He joined the company during 2017, holds a university degree in accounting with extensive experience in the field of auditing. At the beginning of his career, he held several positions in some governmental bodies in the Sultanate.

Board Meetings held during the year:

During the year 2018, the company held seven Board Meetings on the following dates:
17 January 2018, 26 March 2018, 24 April 2018, 30 May 2018, 18 July 2018, 15 October 2018 and 15 November 2018.

In the meetings held on 15 October 2018 and 15 November 2018, a few Board members attended via video conferencing.

The meetings were coordinated by the Company secretary who was appointed as required by the applicable rules and regulations. The meetings were conducted with an agenda and

proceedings were minted. 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
Naji Salim Al Riyami *	Chairman	5
Lara Caroline Mahmoud-Hansen	Member	6
Christian Raskin	Member	5
Mohamed Mustafa Al Lawati	Member	6
Hamad Mohammad Al Wahaibi *	Chairman	1

*Part of the year

During the year 2018, Audit Committee met and conducted six meetings on the following dates, 16 January 2018, 23 April 2018, 30 May 2018, 17 July 2018, 14 October 2018 and 15 November 2018.

The Committee carry out its functions in accordance with the policy approved by the Board in line with the resolutions issued by the Capital Market Authority. The Committee has reviewed the internal audit reports, enterprise risk management report 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. In accordance with the functions assigned to the Committee in accordance with the reference frame issued by the Board and in accordance with the resolutions issued by the Capital Market Authority in this regard.

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 Strategic Management Committee comprised of six members, three from the board of directors others from the executive management. The following are the members of the Strategic Management Committee:

Name	**Designation**	**No. of meetings attended**
Christian Raskin	Chairman	4
Fabio Ignazio Romeo	Member	3
Mohamed Mustafa Al Lawati	Member	4
Fabrizio Ruschmann*	Member	3
Ali Habaj	Member	4
Manoj M. Vaidya	Member	4
Louis Dupreez*	Member	2

*For part of the year

During the year 2018, Strategic Management Committee conducted four meetings on the following dates 16 January 2018, 23 April 2018, 17 July 2018 and 14 October 2018.

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 Nomination and Remuneration Committee comprised of three board members. The following Directors are the members of the Nomination and Remuneration Committee:

Name	Designation	No. of meetings attended
Lara Caroline Mahmoud-Hansen	Chairman	6
Michele Binda	Member	6
Fabrizio Rutschman	Member	6

During the year 2018, the Nomination and Remuneration Committee conducted six meetings on the following dates, 16 January 2018, 15 February 2018, 23 April 2018, 16 July 2018, 13 October 2018 and 13 November 2018.

In the meetings held on 16 July 2018 and 13 November 2018, a few Board members attended via video conferencing.

Process of nomination of the Directors

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

Remuneration matters

Director's remuneration:

In the Annual General Meeting the shareholders had approved the recommendation of the Board of Directors, stating that from the board and committee's meetings held on 20 January 2016 and onward no sitting fees will be paid.

The Board of Directors proposed Director's remuneration of RO 200,000 (2017: RO 200,000). The Directors have no other pecuniary relationship or transaction with the company. The total remuneration paid/accrued to the Board of Directors in 2018, 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). Three directors forego their share of the remuneration payable to them amounting to RO 80,200.

Operating Management Remuneration:

Salary and perquisites of the five top senior officers paid / accrued during the year 2018 is RO 672,408 (2017: RO 648,223), which includes RO 627,408 (2017: RO 521,209) as fixed component and RO 45,000 (2017: RO 127,014) linked to the performance in 2017. The severance notice period of all senior employees range from one to three months, with end of service benefits payable as per Omani Labor Law.

Measuring Board Performance

In accordance with the Fourth Principle of the Corporate Governance of Public Shareholding Companies issued by the Capital Market Authority, the annual general assembly meeting held on 26 March 2018 approved the criteria for measuring the performance of the Board of Directors of the company. Accordingly, an independent evaluator "Protiviti Co" was appointed to measure the performance of the Board according to the approved criteria in the said meeting and to present a performance report to the shareholders at the AGM meeting for the financial year ended 31/12/2020.

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 Labor Law.

Details of non-compliance by the Company

No fines were imposed by the Capital Market Authority (CMA) or Muscat Securities Market (MSM) during the last three financial years.

Means of Communication with Share Holders and Investors

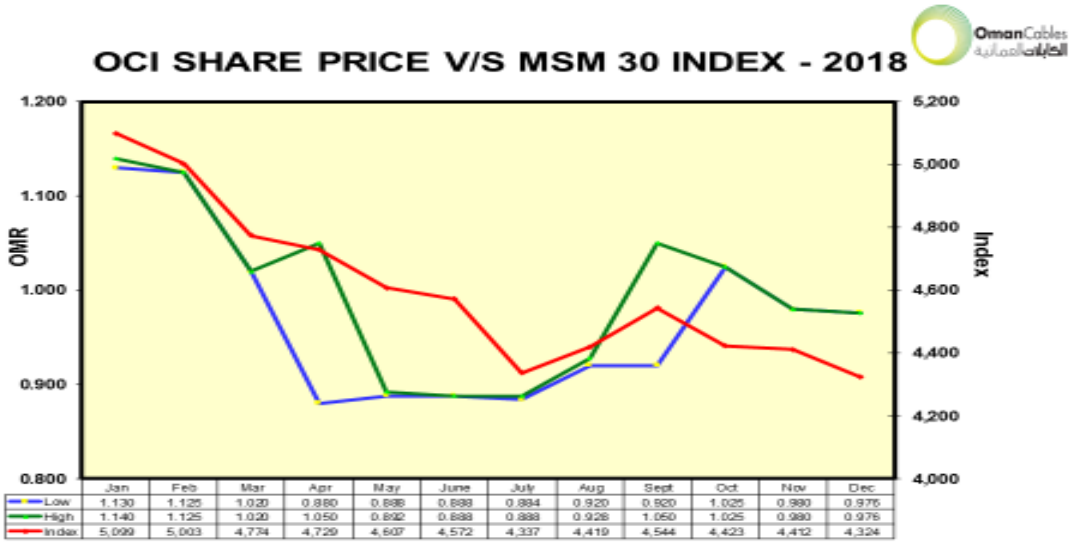
As required by Capital Market Authority, the Company publishes its quarterly, half yearly, three quarterly and yearly financial results in two local newspapers. The financial results are also uploaded on the website of Muscat Securities Market and on the company's website www.omancables.com. Further 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 2018 the share price of RO 0.100 face value moved in the range of high of RO 1.140 to a low of RO 0.880. The share price closed as on 31 December 2018 at RO 0.976.



The distribution of Major Shareholding as on 31 December 2018 is as follows:

Shareholder	% of Shares held of total
Draka Holding BV	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 2018 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

Ernst and Young (EY) is the statutory auditors for the company. EY is a global leader in assurance, tax, transaction and advisory 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 and employs over 7,000 professionals. EY has been operating in Oman since 1974 and is a leading professional services

firm in the country. EY MENA forms part of EY's EMEIA practice, with over 4,600 partners and approximately 106,775 professionals. Globally, EY operates in more than 150 countries and employs 261,559 professionals in 700 offices. Please visit ey.com for more information about EY. The audit fees for 2018 are RO 14,500.

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.

Fabio Romeo
Chairman

Ali Al Habaj
Chief Executive Officer

Date: 23 January 2019