

Corporate Governance Report

As Nawras continues to go from strength to strength, it does so in the knowledge that commitment to sound corporate governance and ethical business conduct is critical to its hard-won reputation – not only for innovation, service, and social responsibility, but for maintaining best practice corporate governance, transparency, and accountability to stakeholders.

Management's on-going review of corporate structures, policies, and processes ensures that the highest standards are adopted and implemented, consistent with domestic and international regulatory requirements.

Since Nawras' inception, it has endeavoured to have the right people and the right processes in place to manage and support its business. The composition of Nawras' Board, various Board committees, and senior management are outlined in this section – together with highlights of the corporate governance practices that underpin every aspect of the Nawras operation.

Nawras' corporate governance processes meet the Oman Capital Market Authority (CMA) requirements and are reviewed and amended as appropriate in the context of Nawras' becoming a public company. Nawras currently has relevant policies and regulations that include:

- A corporate governance manual detailing the role and application of corporate governance throughout the Company.
- Clear delegations of power set out in a comprehensive manual of authority.
- Clear roles and responsibilities as set out in the respective charters for each Board and management committee including the Executive Committee, Audit Committee, Management Committee, Compensation and Benefits Committee, Tender Committee, Pricing Committee and Sponsorship Committee.
- An organisation structure that identifies the responsibilities related to the various executive positions within the Company and the corresponding reporting structures and procedure, including the extent of the authority of each position for approval of expenditure.
- Policies to govern expenditure, including policies and procedures for accounting and procurement.
- Policies related to human resources, including salaries, appointment, development, training, promotions, and termination of services.
- A policy covering related-party transactions, together with appropriate codes of ethics that apply to the Board and the Company.

Board of Directors

The composition of the Board of Directors in the 2011 period prior to Nawras' AGM held on 26 March 2011¹ was:

Name	Date of Appointment	Type of representation	Membership of other Nawras Committees	Membership of Boards of other Joint Stock Companies
HE Sh Salim bin Mustahil Al Ma'ashani (Chairman)	26 July 2008	Non-executive, independent	Compensation & Benefits Committee	Nil
Mr Abdulla Zain Rashid Al-Talib**	16 March 2008	Non-executive, independent		Nil
Mr Khalil Al-Emadi**	26 January 2011	Non-executive, independent		Nil
Dr Hammed Al-Rawahi	16 March 2008	Non-executive, independent	Executive Committee, Compensation & Benefits Committee	1
Mr Jens Hauge	1 February 2009	Non-executive, independent		Nil
Mr Khalid Abdulla H Al-Mansouri	16 March 2008	Non-executive, non-independent	Executive Committee, Audit Committee	Nil
Dr Nasser Mohammed Marafih**	16 March 2008	Non-executive, non-independent		Nil
Sh Saif bin Hashil Al-Maskery	16 March 2008	Non-executive, independent		Nil
Mr Saleh Nasser Al-Riyami	16 March 2008	Non-executive, independent	Audit Committee	2
Sh Saud bin Nasser Faleh Al-Thani	16 March 2008	Non-executive, non-independent	Executive Committee, Audit Committee	Nil

¹ Mr Abdulla Zain Rashid Al-Talib (who was at the time Vice-Chairman) resigned and was replaced by Mr Khalil Al-Emadi effective 26 January 2011. Further, at the same time Dr Nasser Mohammed Marafih was appointed as Vice-Chairman to replace Mr Abdulla Zain Rashid Al-Talib.

The Board of Directors that managed Nawras after 2011 AGM is shown below. The Company held elections for all director position at the AGM held on 26 March 2011 and as a consequence there was a different Board composition in the period prior to the AGM. Pursuant to Article 95 of the Commercial Companies Law 4/74 (as amended) all the current Board memberships expire in March 2014.

Name	Date of Appointment	Type of representation	Membership of other Nawras Committees	Membership of Boards of other Joint Stock Companies
Sayyed. Amjad bin Mohammed Al Buisaidi, (Chairman)	26 March 2011	Non-executive, independent		Nil
Mr. Khalid Ibrahim Al Mahmoud (Vice-Chairman)	26 March 2011	Non-executive, non-independent	Executive Committee, Compensation & Benefits Committee	Nil
Sh. Saud bin Nasser Faleh Al-Thani	16 March 2008	Non-executive, non-independent	Executive Committee	Nil
Dr Shaikha Sultan Al Jabir	26 March 2011	Non-executive, non-independent	Executive Committee	Nil
Mr. Mohanna Nasser Al Nuaimi	26 March 2011	Non-executive, non-independent	Compensation & Benefits Committee, Audit Committee	Nil
Mr Ghassan bin Khamis Al Hashar	26 March 2011	Non-executive, independent	Audit Committee	Nil
Dr Hammed bin Salim Al Rawahi**	16 March 2008	Non-executive, independent	Executive Committee	Nil
Mr Saleh Al-Riyami	16 March 2008	Non-executive, independent	Audit Committee	2
Mr Khalil Ibrahim Al Emadi	26 March 2011	Non-executive, non-independent	Executive Committee	Nil
Mr Said Faraj Al Rabeea**	27 July 2011	Non-executive, independent	Executive Committee	Nil

Nawras' Board complies with applicable Capital Market Authority and Commercial Companies Law requirements, including with respect to the number of independent and non-executive directors, thus representing the interests of all shareholders.

** Dr Hammed bin Salim Al Rawahi resigned from the Board of Nawras following his appointment as Chairman of the Telecommunications Regulatory Authority of Oman on 12 June 2011. He was replaced by Mr Said Faraj Al Rabeea, who was appointed to the Board on 27 July 2011.

Further information on current Board Members

Sayyed Amjad bin Mohammed Al Busaidi

Sayyed Amjad bin Mohammed Al Busaidi joined the Diwan of Royal Court in 1990, and currently is Executive President of the Diwan of Royal Court Pension Fund. He is also a member of the Board of NIFCO, National Mass Housing Company, and Shomookh Investment. He has a Master of Business Administration degree from Southern Cross University, Australia.

Khalid Ibrahim Al Mahmoud

Khalid Ibrahim Al Mahmoud joined Nawras in 2005 as Chief Operating Officer, having previously been Senior Manager, Product Management and Marketing at Qtel. He was appointed Vice-Chairman of Nawras in 2011. Mr Al Mahmoud has more than 16 years' experience in the telecommunications sector, having held positions in IT, ISP, data management, product management, and marketing. He holds a BSc degree in Computer and Electrical Engineering from the University of Pittsburgh (USA).

Sheikh Saud Bin Nasser Faleh Al-Thani

Sheikh Saud Bin Nasser Al Thani joined Qtel in 1990 and is currently Chief Executive Officer of Qtel Qatar, Executive Director of Group HR, and Acting Executive Director of General Services of Qtel, overseeing Qtel's cable television operations, yellow pages directory, and coast station services. He is also a Member of the Arab Organisation for Satellite Communication. He has a Bachelor of Arts in Public Administration from Western International University (USA).

Dr Shaikha Sultan Al Jabir

Dr Shaikha Al-Jabir is currently Director of Marketing, Innovation and Alliances at Qtel International, having previously been CIO at Qatar General Electricity and Water Corporation ('Kahramaa'), where she established a sophisticated ICT infrastructure, placing the organisation at the forefront of technology. Dr Al-Jabir holds a PhD in Computer Science from the University of Surrey (UK), an MS in Telecommunications and Computers from George Washington University (USA), and a BS in Electrical Engineering from Kuwait University.

Mr Mohanna Nasser Al Nuaimi

Mohanna Nasser Al Nuaimi is Group Chief Human Resources Officer of Qtel International, having been appointed in December 2008 after serving as Executive Director of Group Human Resources of Qtel Qatar. He is also a member of Qtel Group Management Committee and a Board member of other Qtel Group operating companies. In April 2009, Mr Al Nuami received the HR Leadership Award on behalf of Qtel International from the World HRD Congress, an international honour for companies that excel in the field of people management. He holds a BSc degree in Mechanical Engineering from Qatar University.

Ghassan bin Khamis Al Hashar

Ghassan Al-Hashar has more than 15 years of experience in finance and investment management, and joined the Nawras Board as a representative of the Public Authority for Social Insurance (PASI) in March 2011. He currently serves as Head of Asset Management – Local in PASI, and represents PASI on the Boards of numerous

public and private companies. He is currently the Chairman of Bank Muscat Fund Investors Committee and a Board Member of Majan Development Company SAOC. Mr Al-Hashar holds a Master's Degree in Finance and Investment Management from the University of Aberdeen (UK).

Khalil Ibrahim Al Emadi

With a 21-year career at Qtel, Khalil Ibrahim Al-Emadi has a strong background in telecommunications, and extensive experience in mobile services and fixed telephony. He is currently Executive Director of Technology at Qtel. He was Qtel's Executive Director of Wireline Services until May 2007 when Qtel formed the Networks Division as part of its organisational structure, then becoming Executive Director of Networks. Before joining Qtel, Mr Al Emadi worked at the Ministry of Communication and Transport. He holds a Bachelor of Science degree in Electrical/Electronic Engineering from Northrop University (USA).

Said Faraj Al Rabeea

Said Faraj Al Rabeea has worked in the government sector for more than 30 years, holding senior positions in Human Resources, Information Technology, and Telecommunications. He is currently a member of several Oman Government boards and became a Nawras director in July 2011 following the departure of Dr Hammed, who assumed the role of CEO at the Telecommunications Regulatory Authority. Mr Rabeea holds a Bachelor of Business Administration degree.

Saleh Nasser Al-Riyami

Saleh Nasser Al-Riyami has been a member of the Nawras Board since its inception and has more than 20 years' experience as the Investment Expert for the Diwan of Royal Court. He currently serves as the General Manager of National Mass Housing SAOC. Mr Al-Riyami has served as founder or director of many companies in Oman and in managerial positions in the Ministry of Commerce and Public Authority of Social Security in Oman. He is currently a Member of Taageer Finance Company SAOG and Al Madina Gulf Insurance Company SAOC. Mr Al-Riyami holds a Bachelor of Science in Business Administration from the University of Georgia (USA).

Board meetings and Board members' attendance in 2011

Attendance at Board Meetings in 2011 prior to the AGM of the Company held on 26 March 2011, was:

Board meeting and board members' attendance in 2011 (Pre AGM)			
	1	2	3
	26.1.11	23.2.11	26.3.11
Sh Salim bin Mustahil bin Ahmed Al-Ma'ashni	Yes	Yes	Yes
Dr Nasser Marafiah	No	Yes	Yes
Dr Hamed Al-Rawahi	Yes	Yes	Yes
Mr Khalid Al-Mansouri	Yes	Yes	Yes
Sh Saif Al-Maskery	Yes	Yes	Yes
Sh Saud bin Nasser Faleh Al-Thani	Yes	Yes	Yes
Mr Jens Hauge	Yes	Yes	Yes
Mr Khalil Ibrahim Al Emadi	No	Yes	Yes
Mr Saleh Al-Riyami	Yes	Yes	Yes

Attendance at Board Meetings in 2011 after the AGM of the Company held on 26 March 2011 was:

Board meeting and board members' attendance in 2011 (Post AGM)						
	4	5	6	7	8	9
	26.3.11	8.6.11	27.7.11	18.9.11	26.10.11	4.12.11
Sayyed Amjad bin Mohammed Al Buisaidi,	Yes	Yes	Yes	Yes	Yes	Yes
Mr Khalid Ibrahim Al Mahmoud	Yes	Yes	Yes	Yes	Yes	Yes
Dr Shaikha Sultan Al Jabir	Yes	Yes	Yes	Yes	Yes	Yes
Mr Mohanna Nasser Al Nuaimi	Yes	Yes	No	Yes	Yes	Yes
Mr Ghassan bin Khamis Al Hashar	Yes	Yes	Yes	Yes	Yes	Yes
Mr Khalil Ibrahim Al Emadi	Yes	No	Yes	Yes	Yes	Yes
Dr Hamed bin Salim Al-Rawahi	Yes	Yes	n/a	n/a	n/a	n/a
Sh Saud bin Nasser Faleh Al-Thani	Yes	No	Yes	No	Yes	Yes
Mr Saleh Al-Riyami	Yes	Yes	Yes	Yes	Yes	Yes
Mr Said Faraj Al Rabeea	n/a	n/a	n/a	Yes	Yes	Yes

Board committees

Nawras has two Board committees and one mixed Board-management committee. The two Board committees are the Executive Committee and the Audit Committee. The mixed Board-management committee is the Compensation & Benefits Committee.

Executive Committee

The Executive Committee historically comprised three directors but this was increased to five after the AGM of the Company held on 26 March 2011. The Executives Committee focuses on strategic issues with responsibility for budget and procurement. The Executive Committee sat seven times during 2011.

Attendance at Executive Committee Meetings in 2011 prior to the AGM of the Company held on 26 March 2011, was:

	1	2
	26.1.11	20.3.11
Mr Khalid Abdulla H Al-Mansouri	Yes	Yes
Dr Hammed bin Salim Al-Rawahi	Yes	Yes
Sh Saud bin Nasser Faleh Al-Thani	No	Yes

Attendance at Executive Committee Meetings in 2011 after the AGM of the Company held on 26 March 2011 was:

	3	4	5	6	7
	30.3.11	20.7.11	12.9.11	19.10.11	4.12.11
Mr Khalid Ibrahim Al Mahmoud	Yes	Yes	Yes	Yes	Yes
Dr Shaikha Sultan Al Jabir	Yes	Yes	Yes	Yes	Yes
Mr Khalil Ibrahim Al Emadi	Yes	Yes	Yes	Yes	Yes
Dr Hammed bin Salim Al-Rawahi	Yes	n/a	n/a	n/a	n/a
Sh Saud bin Nasser Faleh Al-Thani	No	No	Yes	Yes	Yes
Mr Said Faraj Al Rabeea	n/a	n/a	n/a	Yes	Yes

The Executive Committee's terms of reference are as follows:

- Approval of expenditure within the authority limits determined by the Board of Directors.
- Approval of any new tariff or any tariff change that, independently from any other change, has an adverse numerical impact of up to 5% of forecasted revenue in the subsequent 12-month period.
- Review and approval of recommendations on awarding tenders, purchases, and contracts with values within the limits determined by the Board of Directors.
- Review and recommend for Board approval the Company's Annual Operating Plan and budget.
- Carry out periodical progress reviews of the Company's performance against the agreed Annual Operating Plan and recommend ways of better development and improvement in realising the Annual Operating Plan.
- Carry out reviews on quality and efficiency of the services and products provided by the Company and recommend ways for their development and improvement.

Audit Committee

The Audit Committee comprises three directors and assists the Board in overseeing the integrity of the Company's policies and financial statements, including validating and recommending them for approval, and also oversees the performance of the Company's internal audit function. The Audit Committee sat seven times during 2011

Attendance at Audit Committee Meetings in 2011 prior to the AGM of the Company held on 26 March 2011, was:

	1	2	3	4
	16.1.11	26.1.11	22.2.11	20.3.11
Sh Saud Bin Nasser Al Thani	No	Yes	Yes	Yes
Mr Khalid Al-Mansouri	Yes	Yes	No	Yes
Mr Saleh Al-Riyami	Yes	Yes	Yes	Yes

Attendance at Audit Committee Meetings in 2011 after the AGM of the Company held on 26 March 2011, was:

	5	6	7
	20.4.11	26.7.11	25.10.11
Mr Saleh Al-Riyami	Yes	Yes	Yes
Mr Mohanna Nasser Al Nuaimi	Yes	Yes	Yes
Mr Ghassan bin Khamis Al Hashar	No	Yes	Yes

The Audit Committee's terms of reference are as follows:

- Establishing the Internal Audit's objectives, policies and scope.
- Review of Internal Audit's Quarterly reports raised to the Committee, with copies to the Chairman and the members of the Board of Directors.
- Review of the External Auditors report.
- The Committee shall raise its observations and recommendations regarding the points included in such reports to the Board of Directors.
- Approval of the Internal Audit's annual plans.
- Selection of the company's External Auditor and raising recommendations on his appointment and fees.
- Selection of the Company's Chief Internal Auditor, recommendations on his appointment and the appraisal of his performance.
- To oversee administratively, financially and technically the Internal Audit Department including the proposal and implementation of its (operating and capital) budget, its organizational structure, training, development and promotion of staff in accordance with the applicable regulations of the company.
- Evaluation of the Internal & External Audit performance.
- Review and study the Company's regulations, and policies, whenever exigency dictates that and raise suggestions on their amendments to the Board of Directors.

Compensation & Benefits Committee

The Compensation & Benefits Committee focuses on the compensation and benefits of employees and also supervises Nawras' Omanisation plan. It comprises two directors and four senior managers. Membership and attendance at meetings in 2011:

Attendance at Compensation & Benefits Committee Meetings in 2011 prior to the AGM of the Company held on 26 March 2011, was:

	1
	1.3.11
Dr Hammed bin Salim Al-Rawahi	Yes
Sh Salim bin Mustahil bin Ahmed Al-Mashani	Yes
Mr Saleh Al-Riyami	No

Attendance at Compensation & Benefits Committee Meetings in 2011 after the AGM of the Company held on 27 March 2011, was:

	2	3	4	5
	8.6.11	18.9.11	26.10.11	4.12.11
Mr Mohanna Al-Nuaimi	Yes	Yes	Yes	Yes
Mr Khalid Ibrahim Al Mahmoud	Yes	Yes	Yes	Yes
Mr Saleh Al-Riyami	Yes	Yes	Yes	Yes
Dr Hammed bin Salim Al-Rawahi	Yes	n/a	n/a	n/a

Total remuneration paid to directors in respect of 2011

The directors of Nawras are paid OMR 500 in sitting fee per Board or Committee Meeting. The following table details the total sitting fee amounts paid to the directors during 2011.

Name of Director	Position	Amount OMR
Sayed. Amjad bin Mohammed Al Buisaidi	Chairman	3000
Mr. Khalid Ibrahim Al Mahmoud	Vice Chairman	6500
Sh Saif bin Hashil Al-Maskery	Director	1500
Dr Nasser Mohammed Marafih	Director	1000
Sh Saud bin Nasser Faleh Al-Thani	Director	7000
Mr Khalid Abdulla H. Al-Mansouri	Director	4000
Mr Saleh Nasser Al-Riyami	Director	9000
Dr Hammed Salim Al-Rawahi	Director	4750
Mr. Jens Hauge	Director	1500
Mr. Khalil Ibrahim Al Emadi	Director	6000
Dr Shaikha Sultan Al Jabir	Director	5500
Mr. Ghassan bin Khamis Al Hashar	Director	4000
Mr. Mohanna Nasser Al Nuaimi	Director	5000
Mr. Said Faraj Al Rabea	Director	2500

Additionally, at the AGM of the Company held on 26 March 2011, the shareholders approved a further distribution to the directors in the amount of OMR 138,250, to be equally divided between the directors, except that the former Nawras' Chairman declined to accept any payment.

Related Party Transactions 2011

The related party transactions entered into by the company during 2011 were as follows:

Transaction	OMR	OMR	% Change
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	2011	2010	
Directors and Key Management remuneration comprising:	1,417,753	2,171,236	-35%
Salaries/remuneration and benefits	1,177,105	1,460,327	-19%
Directors' remuneration	200,000	200,000	0%
Employees' end of service benefits	40,648	84,699	-52%
Shadow shares and IPO incentive	-	426,210	-100%
Service Fee payable to Qtel International as per Technical Services Agreement comprising 3% of Gross revenues for 2011	5,889,412	5,665,693	4%
Other expenses, comprising:	1,297,338	1,307,510	-1%
<ul style="list-style-type: none"> • Reimbursement of salaries of seconded staff and other cost reimbursements (Qatar Telecommunication) • Reimbursement of salaries and other expenses of seconded staff (Qtel International) • Site rental expenses (ISS Pension Fund) • Site maintenance expenses (Elite Technology LLC) 	<p style="text-align: right;">54,583</p> <p style="text-align: right;">323,426</p> <p style="text-align: right;">149,607</p> <p style="text-align: right;">769,722</p>	<p style="text-align: right;">340,049</p> <p style="text-align: right;">216,691</p> <p style="text-align: right;">134,318</p> <p style="text-align: right;">616,452</p>	<p style="text-align: right;">-84%</p> <p style="text-align: right;">49%</p> <p style="text-align: right;">11%</p> <p style="text-align: right;">25%</p>

Senior management

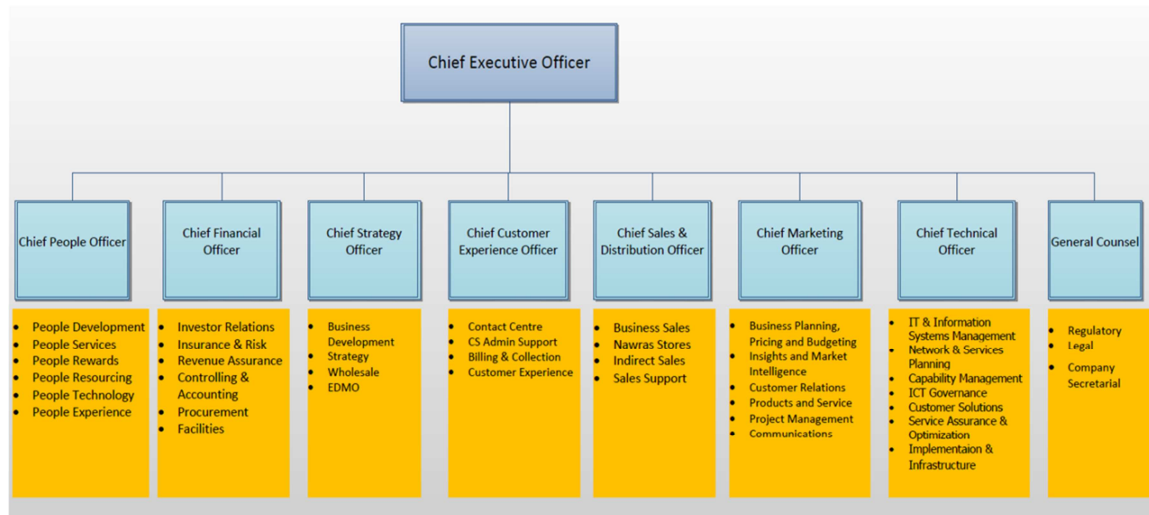
Nawras' senior management team during 2011 was:

Ross Cormack	Chief Executive Officer
Jorgen Latte	Chief Financial Officer
Sh Abdulla Al-Rawahy	Chief Strategy Officer
Wolfgang Wemhoff	Chief Technical Officer
Said Safrar	Chief Customer Experience Officer
James Maxwell	General Counsel
Hussain Al-Lawati	Acting Chief Sales and Distribution Officer
Markus Golder	Acting Chief Marketing Officer
Kumail Al-Moosawi	Director of People

In an effort to focus on customer experience, the Executive Management team was restructured during 2011. This involved the departure of Tore Solberg, the Company's former Chief Commercial Officer, and division of that role into separate disciplines of Sales and Distribution, Customer Experience and Marketing roles, filled by Hussain Al-Lawati, Said Safrar and, on an acting basis, Markus Golder respectively.

During 2011, James Maxwell assumed the role of General Counsel (in August 2011) following the departure of Philippe Vogeleer; James was previously Director of Legal & Regulatory Affairs at Nawras. In October, Nawras also welcomed a new Chief Technical Officer (CTO), Wolfgang Wemhoff who replaced the former CTO, Peter Rubeck.

Below is an outline of the current organisational structure:



The financial allocations paid to the senior management team during 2011 amounted to OMR 860,228 as salaries and allowances and OMR 316,877 in bonuses.

Mr Ross Cormack - Chief Executive Officer. Ross has been CEO of Nawras since 2004 and has more than 25 years of experience in the telecommunications industry, having led four different telecommunications companies, served on the Board of Directors of six companies and shareholder-managed 16 companies across Europe, the Middle East and Asia. His recent experience has included serving as Executive Director Wireless for Qtel, CEO and founder of Singapore-based Virgin Mobile Asia and Managing Director of Hong Kong CSL. Ross holds a Double Honours Bachelor of Science and Bachelor of Communications in Engineering Production and Economics from the University of Birmingham (UK). Ross is also serving as Acting Chief People Officer until such time as an appointment is made.

Sh Abdulla Issa Al-Rawahy - Chief Strategy Officer. Sh. Abdulla has been Chief Strategy Officer of Nawras since 2008 and has over 30 years of experience in the telecommunications sector, with leading roles in network planning and projects and strategy and corporate business development for both fixed and mobile telecommunications. Prior to joining Nawras, Sh. Abdulla served as Technical Advisor to the Minister of Transport and Communications, President of Omantel and Chairman and founding Member of the Oman Fibre Optic Company. Sh. Abdulla holds a Bachelor of Engineering Technology and Masters of Science in Electrical Engineering from the University of Central Florida (USA).

Mr Jorgen Latte - Chief Financial Officer. Jorgen has been Chief Financial Officer of Nawras since 2009. Jorgen has almost 20 years of financial and managerial experience in the telecommunications sector, with 10 years in stand-alone CFO roles for mobile services companies with additional prior experience at TeliaSonera and Tele2. Jorgen holds a Bachelor of Arts in Finance and Accounting from Stockholm University (Sweden).

Mr Wolfgang Wemhoff - Chief Technology Officer. Wolfgang joined Nawras in October 2011 and has more than 20 years of experience in the telecommunications industry, working for Mannesmann and Vodafone. He had leading roles in Vodafone Germany, in Vodafone Group and recently in Vodafone Turkey. Wolfgang holds a

Bachelor of Engineering Technology from University Munster (Germany) and a Bachelor of Business Administration from University Dortmund (Germany).

Mr Said Safrar - Chief Customer Experience Officer. Said has been working for Nawras since April 2008 originally as the Customer Service Director. He was appointed to his new role as Chief Customer Experience Officer in September 2011, as part of the Company's focus on customer experience. Prior to joining Nawras Said worked in the banking industry and has more than 15 years working experience with Oman International Bank and Bank Dhofar. Said holds a Master in Business Administration from the University of Hull-UK."

Mr James Maxwell – General Counsel. James joined Nawras in 2007 and has over 15 years' experience in providing legal and regulatory advice to leading corporates with 10 years working exclusively in telecommunications. His past roles include working in M&A and securities at Linklaters in the UK and Minter Ellison in Australia and as an in-house Corporate Counsel at Vodafone UK and more recently SingTel Optus in Australia. James holds a Bachelor of Laws (LLB Hons) from Melbourne University Australia.

Mr Hussain Al-Lawati – Acting Chief Sales and Distribution Officer. Hussain joined Nawras in 2004 as a Section Head – Key Account Manager- Business Sales Head. Hussain holds a bachelor degree in Business Administration from Camden University – USA and a post graduate Diploma in Leadership and Strategies from Chartered Management Institute in the UK. Prior to joining Nawras Hussain served as a product Manager in Oman National Dairy Products, as a Commercial Sales Executive/Fuel Card Section Head in British Petroleum Oman, and as Sales & Marketing Manager in Mehdi Foods in 2004.

Mr Markus Golder – Acting Chief Marketing Officer. Markus joined Nawras as Business Segment Director in 2009 and served as Acting Chief Marketing Officer since 2011. Markus has 18 years of international experience within the telecom industry and extensive knowledge of fixed and mobile start-ups and operations. Prior to joining Nawras, he was Marketing Director at BTC, the incumbent operator in Bulgaria and Marketing Director at Sunrise, the largest challenger operator in Switzerland. Markus holds a Master's degree in Electrical Engineering from the Swiss Federal Institute of Technology and an MBA from London Business School.

Mr Kumail Al-Moosawi – Director of People. Kumail has been with Nawras since November 2004 and brings over 13 years of experience in numerous business functions that include retail, operations, finance, customer service, audit, and Human Resources management. Kumail completed his undergraduate education at Florida Atlantic University in the United States majoring in Finance. He is also a continuing member of the Chartered Institute of Personnel and Development (CIPD) and an active member of the GCC HR Forum.

Channels and methods of communication with shareholders and investors

The Company's website has a comprehensive investor relations section where shareholders can view quarterly financial information, the company's disclosure

policy, and frequently asked questions. They can also register to receive financial news alerts and can contact the investor relations manager by email.

Quarterly conference sessions with analysts are planned throughout the year along with quarterly financial statements which are published in national newspapers, within five days of being available on the Muscat Securities Market website.

The 'Management Review' section of the annual report contains detailed management discussion and analysis.

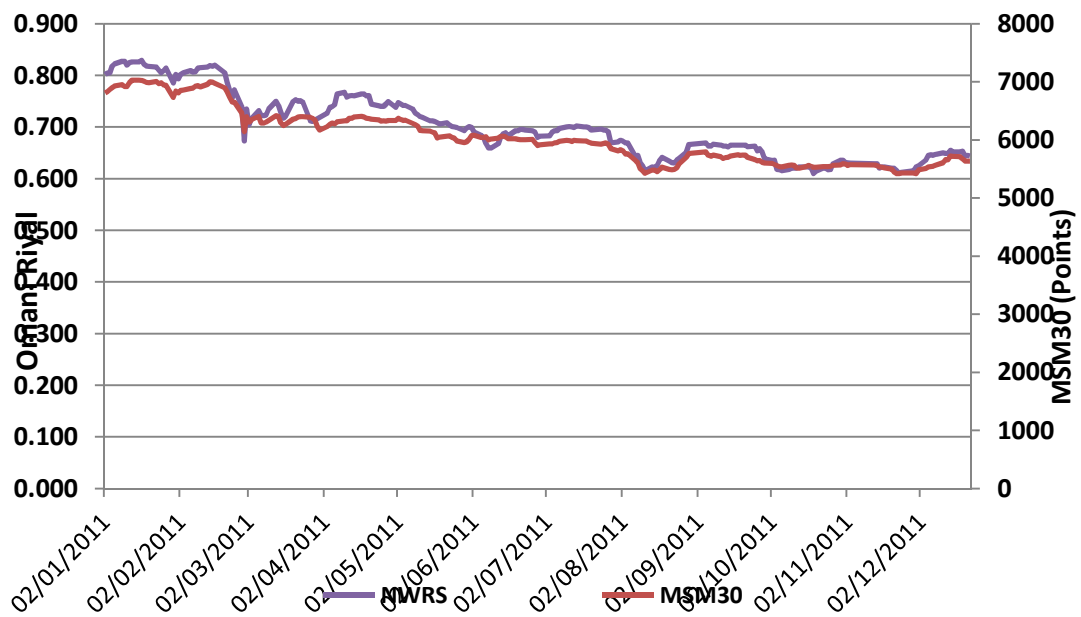
Details of Nawras share trading details

Nawras shares traded on the Muscat Securities Market during 2011

NWRS Trading Details for 2011 on Monthly Basis										
				Prices in OMR						
Month	Volume	Turnover (OMR)	Trades	Lowest Pr	Highest Pr	Close Pr	Prev Close Pr	Diff	Diff %	Sec Cap
Jan	17,761,479	14,473,710	3,265	0.750	0.835	0.802	0.795	0.007	0.9%	522,057,272
Feb	14,513,509	11,263,559	2,886	0.666	0.825	0.673	0.802	-0.129	-16.1%	438,085,467
Mar	19,160,031	13,965,226	3,116	0.699	0.765	0.719	0.673	0.046	6.8%	468,028,901
Apr	10,485,563	7,884,732	2,413	0.719	0.775	0.749	0.719	0.030	4.2%	487,557,228
May	10,240,033	7,362,127	2,458	0.690	0.754	0.701	0.749	-0.048	-6.4%	456,311,905
Jun	11,187,651	7,661,465	2,998	0.644	0.710	0.682	0.701	-0.019	-2.7%	443,943,965
Jul	6,250,615	4,317,397	1,246	0.664	0.705	0.671	0.682	-0.011	-1.6%	436,783,578
Aug	7,185,004	4,599,371	1,762	0.609	0.677	0.666	0.671	-0.005	-0.7%	433,528,857
Sep	3,254,234	2,145,409	707	0.635	0.674	0.638	0.666	-0.028	-4.2%	415,302,419
Oct	6,124,686	3,814,126	1,306	0.604	0.640	0.636	0.638	-0.002	-0.3%	414,000,530
Nov	3,521,865	2,190,926	778	0.605	0.635	0.623	0.636	-0.013	-2.0%	405,538,255
Dec	8,807,101	5,700,504	1,427	0.623	0.658	0.650	0.623	0.027	4.3%	423,113,750
2011	118,491,771	85,378,552	24,362							

Nawras share price compared to MSM30 index throughout 2011

Daily closing price on the Muscat Securities Market



Nawras Share price

Nawras Share Distribution

Months	Shareholders	Omani	Non Omani	GCC	Non Omani	
					Arab	Foreigner
January	5,637	32.33%	67.67%	62.58%	0.09%	5.00%
February	5,471	32.48%	67.52%	62.34%	0.07%	5.11%
March	5,522	33.00%	67.00%	62.12%	0.06%	4.82%
April	5,338	32.18%	67.83%	62.88%	0.06%	4.89%
May	5,339	32.61%	67.40%	62.60%	0.07%	4.73%
June	5,343	33.19%	66.81%	62.27%	0.11%	4.43%
July	5,195	33.37%	66.63%	62.22%	0.09%	4.32%
August	5,119	33.68%	66.32%	62.12%	0.07%	4.13%
September	5,038	33.73%	66.28%	62.12%	0.07%	4.09%
October	5,020	34.25%	65.75%	61.97%	0.07%	3.71%
November	4,975	34.63%	65.37%	61.97%	0.07%	3.33%
December	4,935	35.04%	64.95%	61.91%	0.07%	2.97%

Qtel is the only shareholder which holds more than 10 per cent of Nawras issued shares. The Company does not have any securities or financial instruments convertible to shares.

Details of non-compliance by the Company

Nawras, as a regulated telecommunications operator, is subject to oversight by the TRA. From time to time, Nawras has been subject to regulatory action by the TRA related to compliance with the terms of its Licences and the Telecommunications Regulatory Act. Nawras has an excellent relationship with the TRA and has worked with the TRA to remedy any concerns raised by the TRA. Below is a summary of the material regulatory decisions that relate to Nawras made by the TRA during the three years ended 31 December 2011:

- Frequency Penalties—during 2011 Nawras worked with the TRA to perform a reconciliation of certain of Nawras information against the corresponding information held by the TRA. One outcome of that reconciliation process was that it was determined that Nawras was in breach of certain obligations that related to the frequencies utilised by Nawras. The TRA penalised Nawras in an amount of OMR 7875.152 in respect of those breaches. That penalty was paid in 2011.
- TRA Determination No. 2/2009 on the dispute between Injaz and Nawras—this determination related to a complaint by Injaz against Nawras alleging that Nawras was failing to meet its Mobile Licence obligation to provide services for resale. The decision required Nawras to finalise an agreement with Injaz to allow Injaz to resell certain Nawras' mobile services. The TRA also levied a fine against Nawras in an amount of OMR 100,000 in respect of alleged breaches of the Executive Regulations of the Telecommunications Regulatory Act. Nawras has paid the fine. The TRA rejected Nawras' request to reconsider the decision, as the TRA determined that it complied with the law. A full copy of the decision is available on the TRA website.
- Frequency Penalties—during 2009 Nawras worked with the TRA to perform a reconciliation of certain of Nawras information against the corresponding information held by the TRA. One outcome of that reconciliation process was that it was determined that Nawras was in breach of certain obligations that related to the frequencies utilised by Nawras. The TRA penalised Nawras in an amount of OMR 983,439 in respect of those breaches. That penalty was paid in 2009.

Apart from the above regulatory non-compliance, Nawras has no material legal or regulatory non-compliance to disclose.

Disclosure policy

Nawras rigorously applies its disclosure policy so as to develop and maintain reasonable market expectations of the Company's current trading and future prospects. This is achieved by making disclosure on a widely disseminated basis; through a realistic understanding of prospects for future performance and by ensuring that information does not intentionally or unintentionally mislead investors.

Managing risk

Nawras has established an organization that ensures risk management is an essential part of the Nawras culture and strategic decision-making through an Enterprise Risk Management (ERM) function. ERM's strategic objectives bring a systematic approach to assessing, evaluating, managing and controlling the overall

enterprise risk. It also assists in providing practical and cost effective solutions to manage and mitigate risk.

Enterprise risk management is called for under the Nawras corporate governance framework. Further, Nawras is required to present the status of internal control and arrangements for risk management to its senior management and report the same to Board of Directors on a quarterly basis.

External auditor

The Company's external auditors in respect of 2011 were Deloitte & Touche. The total fee for audit and related services paid to the Auditors in respect of 2011 was OMR 52,680.

Deloitte & Touche (M.E.) is the auditor of the Company. Deloitte & Touche is a member firm of Deloitte Touche Tohmatsu Limited (DTTL) and is the first Arab professional services firm established in the Middle East region with uninterrupted presence for over 85 years. Deloitte is among the region's leading professional services firms, providing audit, tax, consulting, and financial advisory services through 26 offices in 15 countries with over 2,500 partners, directors and staff. It is a Tier 1 Tax advisor in the GCC region (International Tax Review World Tax 2010 and 2011 Rankings) and was recognized as the 2010 Best Consulting Firm of the Year in the Compliment GCC Compliance Awards. In 2011, the firm received the Middle East Training & Development Excellence Award by the Institute of Chartered Accountants in England and Wales (ICAEW).

Board declaration

The Board of Directors acknowledges that:

- Nawras has all its systems and procedures formally documented and in place. The company's internal regulations comply with regulatory requirements and have been formalised in an internal regulations manual, reviewed and approved by the Board of Directors.
- The Board of Directors is responsible for ensuring that the financial statements are 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), 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.
- No material events affect the continuation of Nawras and its operations during the next financial year.

Nawras Firsts

Excellence by delivering user-friendly services that leave our customers with a lasting sense of satisfaction is best illustrated by our tradition of ‘Nawras Firsts’. Our aim is to provide market leading product and service innovations that provide customers with the latest outstanding features and capabilities.

2005

Nawras fundamentally changed Oman’s mobile telecommunications landscape by introducing numerous innovations. These included payment through banks, data services using 2G EDGE, distant independent tariffs, web-based customer services, My Nawras, missed call notice, international roaming for prepaid, international data roaming, a new mobile office solution in cooperation with Microsoft, prepaid to prepaid credit transfer, the Nawras rewards programme, Nawras Zone, and Nawras’ web portal that provided content such as flight information, restaurants, cinema, and global weather.

2006

Firsts in 2006 included the trial of 3G services, e-recharge, post2prepaid migration, the launch of Mobile Number Portability, business CUG, e-billing for business, and a special offer for OPAL member companies, employees and families.

2007

Market leading initiatives included postpaid to prepaid credit transfer, ‘Rannati’ personalised greeting content for customers, international data roaming for prepaid, WebSMS, 3G+ video calling, video monitoring, mobile broadband, and mobile info browsing, ‘Call Me’ notification service, and the ‘Send Me Credit’ notification service.

2008

Nawras Firsts in 2008 included the Nawras mobile store, in-flight roaming, international MMS roaming for prepaid, prepaid mobile broadband, breaking news and daily sports news sent by SMS, voice SMS, wireless data link, Elite Club, e-payment for postpaid, self service machines, and Shababiah – Nawras youth sub-brand.

2009

An extensive range of Firsts came to the market, from BawaBaty web portal, Mobile TV, Mawjood notification service, and Nawras SMS link – to Muscat Municipality services, MyNawras for business, MobiKhazana SMS service, Asian-based content, SmartRoamer, saving on roaming within the GCC region, Future SMS, Flash SMS and SMS2Email, a new e-newsletter for business, Oman Air information via SMS, and SMS classified advertisements.

2010

Collect calls, business broadband share, micro SIMs for the Apple iPad, and the Alafasy Qur'an service were introduced. We also expanded the appeal of Oman's only telecom customer loyalty programme – Nawras Elite Club – adding various new benefits and privileges including free car parking, access to business lounges and meet-and-greet services at Muscat Airport, roadside assistance, priority call handling at Nawras customer care, and many attractive discounts at retail outlets.

2011

The innovative spirit continued, with Nawras Backstage presenting NE-YO Live in Muscat and the MyNawras HD App for iPad being launched. The new Elite program introduced rewards for receiving calls and the Elite Club expanded to include Silver membership. On the product side, our 'firsts' included Bill Analyser, Rannati copy tune service, Emsakeyah, Qasas Al-Anbeya, Eazaz Al Qur'an Arabic and Qur'anic services. Our 6+6 international offer gave customers six free minutes after making an international call lasting six minutes and we launched a prepaid solution for postpaid customers. For Business customers we introduced free Internet Performance Reports and Business Mousbak prepaid service – a first for the region and not just Oman.