

CORPORATE GOVERNANCE REPORT

Nawras has always been committed to internationally recognized corporate governance practices and ethical business conduct. Nawras' Board of Directors and Senior Management understand that their implementation of good governance practices and ethical business conduct results in sound business decisions. They also have a positive impact on public perceptions of the company and benefit the wider economic and social development of Oman.

Nawras' corporate governance practices meet Oman's Capital Market Authority (CMA) requirements. 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 delegation of power, as set out in a comprehensive manual of authority.
- Clear roles and responsibilities, as set out in the respective charters for each Board committee: the Executive Committee, the Audit Committee, and the Remuneration Committee – and each management committee: the Management Committee, the Promotion Committee, the Tender Committee, the Pricing Committee, and the 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, appointments, 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.
- A clear approach to independence in the context of Directors that is (and was already) in compliance with the recent changes announced by the Capital Market Authority (CMA).

Board of Directors

The Board of Directors that managed Nawras throughout 2012 is shown in table 1 (page 2).

There was one change to the composition of the Board during 2012 as Nawras' former Vice Chairman, Mr Khalid Al-Mahmoud, resigned following his promotion to a new role within Qtel Group: Group Chief Officer - Small and Medium Businesses. Nawras is grateful for the time given by Mr Khalid Al-Mahmoud as Vice Chairman and Director, as well as during his time working for Nawras as Chief Operating Officer between 2005-2010.

Mr Khalid Al-Mahmoud was replaced on the Board by Mr Mohamed Jassim Al-Kuwari. He was appointed as a temporary Director in accordance with the company's Articles of Association, and the Company will seek permanent appointment at the Annual General Meeting. Mr Khalid Al-Mahmoud was replaced as Vice Chairman of the Board by Sheikh Saud Al-Thani.

Table 1: The composition of the Board of Directors during 2012 was:

Name	Date of appointment	Type of representation	Membership of other Nawras Committees	Membership of Boards of other Joint Stock Companies
Sayyed Amjad Mohamed Al Busaidi (Chairman)	26 March 2011	Non-executive, non-independent	Nil	One
Sheikh Saud Bin Nasser Faleh Al-Thani ** (Vice Chairman)	16 March 2008	Non-executive, non-independent	Executive Committee	Nil
Mr Khalil Ibrahim Al Emadi	12 December 2010	Non-executive, non-independent	Executive Committee	Nil
Mr Ghassan bin Khamis Al Hashar	26 March 2011	Non-executive, independent	Audit Committee	One
Dr Shaikha Sultan Al Jabir	26 March 2011	Non-executive, non-independent	Executive Committee	Nil
Mr Mohamed Jassim Al-Kuwari	29 July 2012	Non-executive, non-independent	Executive Committee, Remuneration Committee	Nil
Mr Khalid Ibrahim Al-Mahmoud* (Vice Chairman)	26 March 2011	Non-executive, non-independent	Executive Committee, Remuneration Committee	Nil
Mr Mohanna Nasser Al Nuaimi	26 March 2011	Non-executive, non-independent	Remuneration Committee, Audit Committee	Nil
Mr Said Faraj Al Rabeea	27 July 2011	Non-executive, independent	Executive Committee	Nil
Mr Saleh Nasser Al-Riyami	11 December 2004	Non-executive, independent	Audit Committee, Remuneration Committee	Two

* Mr Khalid Al-Mahmoud was Vice Chairman until his resignation on 19 June 2012.

** Sheikh Saud Bin Nasser Faleh Al-Thani was appointed as the Vice Chairman at the Board Meeting on 29 July 2012.

Further information on current Board members

Sayyed Amjad Mohamed Al Busaidi

Chairman

Mr Al Busaidi has chaired the Nawras Board since March 2011. In 1990 he joined the Diwan of Royal Court and he currently serves as Executive President of the Diwan of Royal Court Pension Fund. He was appointed Chairman of Bank Nizwa in July 2012, and also serves on the boards of NIFCO, National Mass Housing Company, and Shomookh Investment. He has a Master's degree in Business Administration from Southern Cross University (Australia).

Sheikh Saud Bin Nasser Faleh Al-Thani

Vice-Chairman

Sheikh Saud joined Qtel in 1990 and is currently Chief Executive Officer of Qtel Qatar. He also serves as Executive Director of Group HR and Acting Executive Director of General Services. In 2005, he was appointed Executive Director of Special Businesses. As Acting Executive Director of General Services, Sheikh Saud oversees Qtel's cable television operations, yellow pages directory, and coast station services. He is also a member of the Arab Organization for Satellite Communication. Sheikh Saud has a Bachelor of Arts in Public Administration from Western International University (USA).

Mr Khalil Ibrahim Al Emadi

Director

Mr Al Emadi is currently the Chief Executive Officer of Navlink Inc (one of Qtel partners). He has a strong background in telecommunications with 27 years of experience in mobile services and fixed telephony. Before joining Qtel, he worked at the Ministry of Transport and Communications. He was the Executive Director of Wireline Services until 2007 when, as part of an organisational restructuring, Qtel merged the previous Wireless and Wireline groups into the Networks Division, appointing Mr Al Emadi as Executive Director of Networks. He has a Bachelor of Science in Electrical/Electronic Engineering from Northrop University in California (USA).

Mr Ghassan bin Khamis Al Hashar

Director

Mr Al Hashar joined the Nawras Board as a representative of the Public Authority for Social Insurance (PASI) in 2011. He is currently the Authority's Head of Asset Management – Local. He has more than 15 years' experience in finance and investment management and represents PASI on the boards of numerous public and private companies. Mr Al Hashar is currently Chairman of Bank Muscat's Fund Investors' Committee and a Board member of Majan Development Company. He holds a Master's Degree in Finance and Investment Management from the University of Aberdeen (UK).

Dr Shaikha Sultan Al Jabir

Director

Dr Al Jabir is currently Executive Director- New Businesses in Qtel Group (QG). Before joining QG, she was CIO of Qatar General Electricity and Water Corporation (Kahramaa), where she established a sophisticated ICT infrastructure, helping to put the organisation at the forefront of technology. She 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 Mohamed Jassim Al-Kuwari

Director

Mr Al-Kuwari has been Qtel's Chief Corporate Services Officer since 2011, having held several positions in the Group since 2005: Head of Talent Sourcing, Senior Manager of Manpower Planning and Talent Sourcing, and Assistant Director of Policy Development and HR Services. He was also appointed Executive Director, Group HR in 2011. Previously, Mr Al-Kuwari worked at Ras Laffan Liquefied Natural Gas. He holds a Bachelor of Science in Business Administration from the American University, Washington (USA).

Mr Mohanna Nasser Al Nuaimi

Director

Mr Al Nuaimi was appointed Group Chief Human Resources Officer of Qtel Group in 2008, after serving as Qtel Qatar's Executive Director of Group Human Resources. He is a member of Qtel Group's Management Committee and a Board member of several other Qtel Group companies. In 2009, Mr Al Nuaimi received the HR Leadership Award on behalf of Qtel Group for the World HRD Congress, an international honour for companies excelling in the field of people management. He holds a Bachelor of Science in Mechanical Engineering from Qatar University.

Mr Said Faraj Al Rabeea

Director

Mr Al Rabeea joined the Nawras Board in 2011. He has worked in the government sector for more than 30 years, during which time he has held a number of senior positions in human resources, information technology, and telecommunications. He currently sits on a number of a government boards in Oman. He has a Bachelor's Degree in Business Administration.

Saleh Nasser Al-Riyami

Director

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

Board meetings and Board members' attendance in 2012

Attendances at Board meetings in 2012 are shown in table 2 (page 4).

Table 2: Board meetings and attendance in 2012

	1 30.1.12	2 22.2.12	3 27/3.12	4 24.4.12	5 18.6.12	6 29.7.12	7 21.10.12	8 16.12.12
Sayyed Amjad Mohamed Al Busaidi	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Mr Khalil Al Emadi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dr Shaikha Sultan Al Jabir	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Mr Saleh Al Riyami	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr Khalid Al-Mahmoud	Yes	No	Yes	Yes	Yes	N/A	N/A	N/A
Mr Ghassan Al Hashar	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
Mr Mohanna Al Nuaimi	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Sheikh Saud Al Thani	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Mr Said Faraj Al Rabeea	No	Yes	Yes	Yes	No	Yes	Yes	Yes
Mr Mohamed Al Kuwari	N/A	N/A	N/A	N/A	N/A	N/A	No	Yes

Board committees

Nawras has three Board committees: the Executive Committee, the Audit Committee and the Remuneration Committee.

Executive Committee

The Executive Committee focuses on strategic issues and has responsibility for all budget and procurement related matters. The Committee comprises five members.

The only change in the composition of the Executive Committee in 2012 was the resignation of Mr Khalid Al-Mahmoud (explained in the preceding section on the Board of Directors) and the appointment of Mr Mohamed Al-Kuwari as his replacement.

The Executive Committee met four times during 2012. The dates and attendance at these meetings is shown in table 3 (page 5).

Table 3: Executive Committee meetings and attendance in 2012

	1	2	3	4
	26.03.12	18.4.12	5.6.12	15.8.12
Mr Khalil Ibrahim Al Emadi	Yes	Yes	Yes	Yes
Mr Khalid Ibrahim Al Mahmoud	Yes	Yes	Yes	N/A
Dr Shaikha Sultan Al Jabir	Yes	Yes	Yes	Yes
Sheikh Saud bin Nasser Faleh Al-Thani	Yes	No	Yes	Yes
Mr Said Faraj Al Rabeea	Yes	Yes	Yes	Yes
Mr Mohamed Al Kuwari	N/A	N/A	N/A	Yes

The Executive Committee's terms of reference are:

- Approve expenditure within the limits specified by the Board of Directors.
- Review and approve recommendations for the award of tenders. Approve procurements and contracts of values within the limits authorised under the authority manual or as delegated by the Board.
- Review the quality and efficiency of services and products provided by the company and suggest means of developing and upgrading such services and products.
- Furnish Management with strategic directives on the priorities and risks relating to financial and strategic investment operations.
- Approve financial and strategic investments and related matters with a maximum limit of US\$ 10,000,000 (US Dollars ten million) for each investment operation, or US\$ 100,000,000 (US Dollar one hundred million) for all investment operations in each whole calendar year.
- Approve investment operations and treasury affairs.
- The Committee may seek the assistance of independent experts or consultants to help it achieve its objectives.
- Review the performance of the Committee and present periodic updates on its activities to the Board of Directors.
- Review draft regulations and policies of the company that fall within the Committee's scope of work, and submit recommendations on the same to the Board of Directors.
- Review the Authority Manual and submit proposals for amendment of the same to the Board of Directors.
- Submit reports to the Board of Directors including recommendations on the scope, directives, quality, and level of investments undertaken by the company, if any.

Audit Committee

The Audit Committee assists the Board to oversee the integrity of the company's policies and financial statements, including validating and recommending them for

Board approval. It also oversees the performance of the company's internal audit function. The Committee comprises three directors.

The Audit Committee met seven times during 2012. The dates and attendance at these meetings is shown in table 4 (page 6).

Table 4: Audit Committee meetings and attendance in 2012

	1	2	3	4	5	6	7
	29.1.12	22.2.12	26.3.12	24.4.12	28/29.7.12	17.10.12	19.12.12
Mr Saleh Al-Riyami	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr Mohanna Nasser Al Nuaimi	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr Ghassan bin Khamis Al Hashar	Yes	Yes	Yes	Yes	Yes	Yes	Yes

The Audit Committee's terms of reference are:

- Establish the Internal Audit department's objectives, policies and scope.
- Review 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.
- Raise observations and recommendations regarding the points included in such reports to the Board Of Directors.
- Approve the Internal Audit department's annual plans.
- Select the company's External Auditors and raise recommendations on their appointment and fees.
- Select the company's Chief Internal Auditor, make recommendations on his/her appointment and appraise his/her performance.
- Oversee administratively, financially and technically the Internal Audit department including the proposal and implementation of its operating and capital budget, its organisational structure, training, development and promotion of staff, all in accordance with the applicable regulations of the company.
- Evaluate the Internal and External Audit performance.
- Review and study the company's regulations and policies, whenever exigency dictates this and raise suggestions on their amendments to the Board of Directors.

Remuneration Committee

The Remuneration Committee focuses on the compensation and benefits of employees and supervises the company's Omanisation and succession programmes. The Committee comprises three directors.

The Remuneration Committee met 9 times during 2012. The dates and attendance at these meetings is shown in table 5 (page 7).

Table 5: Remuneration Committee meetings and attendance in 2012

	RC.01 30.01.12	RC.02 22.02.12	RC.03 26.03.12	RC.04 24.4.12	RC.05 25.6.12	RC.06 28.7.12	RC.07 11.9.12	RC.08 21.10.12	RC.09 19.12.12
Mr Mohanna Al-Nuaimi (Chairman)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr Khalid Al-Mahmoud	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	N/A
Mr Saleh Al-Riyami	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
Mr Mohamed Al Kuwari	N/A	N/A	N/A	N/A	N/A	N/A	Yes	No	Yes

The Remuneration Committee's terms of reference are:

- Recommend the appointment and termination of the CEO and all Grade 1 executive managers.
- Approve the appointment and termination of all Grade 2 managers.
- Recommend the annual performance rating of the CEO.
- Approve the annual performance rating of all Grade 1 executive managers.
- Approve the Nawras corporate score.
- Oversee the Remuneration policies of the company, including variable compensation systems and incentive programmes. Approve any changes to such systems and programmes.
- Periodically review the company's HR and Training Policies, the Job Evaluation Policy, and the employee performance evaluation.
- Approve any exceptions to HR policies, including for compensation and benefits that are outside the authority of management.

Total remuneration paid to Directors in respect of 2012

Nawras Directors are each paid a sitting fee of OMR 500 per Board or Committee meeting. Table 6 (page 7) details the total sitting fee amounts paid to the Directors during 2012.

Table 6: Total remuneration paid to Directors in respect of 2012

Name of Director	Position	Amount OMR
Sayyed Amjad Mohamed Al Busaidi	Chairman	3,500
Sheikh Saud bin Nasser Faleh Al-Thani*	Vice Chairman	4,500
Mr Khalid Ibrahim Al Mahmoud**	Vice Chairman	5,000
Mr Saleh Nasser Al-Riyami	Director	10,000
Mr Khalil Ibrahim Al Emadi	Director	6,000
Dr Shaikha Sultan Al Jabir	Director	5,500
Mr Ghassan bin Khamis Al Hashar	Director	6,500
Mr Mohanna Nasser Al Nuaimi	Director	10,000
Mr Said Faraj Al Rabeea	Director	5,000

Mr Mohamed Jassim Al Kuwari	Director	2,000
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* Sheikh Saud Bin Nasser Faleh Al-Thani was appointed as the Vice Chairman at the Board Meeting on 29 July 2012.

**Mr Khalid Al-Mahmoud was Vice Chairman until his resignation on 19 June 2012.

Additionally, at the company's Annual General Meeting held on 27 March 2012, the shareholders approved a further distribution to the Directors of OMR 138,750, to be divided between the Directors.

Related-party transactions 2012

Related-party transactions entered into by the company during 2012 are shown in table 7 (page 8).

Table 7: Related-party transactions during 2012

Transaction	OMR 2012	OMR 2011	% Change
Directors and Key Management remuneration comprising:	1,976,935	1,417,753	39%
Salaries/remuneration and benefits	1,726,624	1,177,105	47%
Directors' remuneration	200,000	200,000	0%
Employees' end of service benefits	50,311	40,648	24%
The majority of the increase is attributable to Long Term Incentive (LTI) obligations for senior management (2011 amount 0). The balance of the increase is attributable to the addition of new senior management in Q4 2011.			
Service Fee payable to Qtel Group as per Technical Services Agreement comprising 3% of Gross revenues for 2012	5,821,486	5,889,412	-1%
Other expenses, comprising:	1,003,716	1,297,338	-23%
• Reimbursement of salaries of seconded staff and other cost reimbursements (Qatar Telecommunication)	54,258	54,583	-1%
• Reimbursement of salaries and other expenses of seconded staff (Qtel Group)	264,611	323,426	-18%
• Site rental expenses (ISS Pension Fund)	-	149,607	-100%
• Site maintenance expenses (Elite Technology LLC)	684,847	769,722	-11%

Senior management

Nawras' senior management team during 2012 is shown in table 8 (page 8).

Table 8: Senior management

Ross Cormack	Chief Executive Officer
Jorgen Latte	Chief Financial Officer
Abdulla Al-Rawahy	Chief Strategy Officer
Wolfgang Wemhoff	Chief Technical Officer

Said Safrar	Chief Customer Experience Officer
Martin Lyne	Chief Marketing Officer
James Maxwell	General Counsel
Hussain Al-Lawati	Chief Government Relations Officer
Sean Casey	Chief Sales and Distribution Officer
Kumail Al-Moosawi	Director of People

Table 9: Nawras organisational structure



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 an appointment is made.

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 and additional prior experience at TeliaSonera and Tele2. Jorgen holds a Bachelor of Arts in Finance and Accounting from Stockholm University (Sweden).

Abdulla Issa Al-Rawahy

Chief Strategy Officer

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, 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. Abdulla holds a Bachelor of Engineering Technology and Master of Science in Electrical Engineering from the University of Central Florida (USA).

Wolfgang Wemhoff

Chief Technology Officer

Wolfgang joined Nawras in 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).

Said Safrar

Chief Customer Experience Officer

Said has worked for Nawras since 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 Masters in Business Administration from the University of Hull (UK).

Martin Lyne

Chief Marketing Officer

Martin joined Nawras in 2012, bringing over 20 years of commercial experience. He was previously Consumer Commercial Director of Orange UK, which achieved the fastest growth of any operator launching fourth to market. Most recently he was Managing Director for Small and Medium Enterprises with Everything Everywhere (the joint venture between Orange and T Mobile). Martin is a member of the Institute of Chartered Accountants of England and Wales. He holds a BA (Hons) in Economics and Business Studies from Leeds University (UK).

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).

Hussain Al-Lawati

Chief Government Relations Officer

Hussain joined Nawras in 2004 as a Section Head – Key Account Manager – Business Sales Head. Prior to Nawras he served as a Product Manager in Oman National Dairy Products, as Commercial Sales Executive and Fuel Card Section Head in British Petroleum Oman, and as Sales & Marketing Manager in Mehdi Foods. Hussain holds a Bachelor's Degree in Business Administration from Camden University (USA).

Sean Casey

Chief of Sales and Distribution

Sean joined Nawras in 2012. He has over 15 years' sales and managerial experience in the telecommunications sector in Australia, Saudi Arabia and now Oman. Sean has managed and led multiple national sales functions in both the Consumer and business segments and has experience with Telstra, Vodaphone, VHA, Sale-Co and STC.

Kumail Al-Moosawi

Director of People

Kumail has been with Nawras since 2004 and brings over 13 years' 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 Nawras website has a comprehensive Investor Relations section where shareholders can view the company's quarterly financial information, disclosure policy, and frequently asked questions. They can also register to receive financial news alerts and contact the Investor Relations Manager by email.

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

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

Nawras share trading details

Nawras shares traded on the Muscat Securities Market during 2012 as shown in table 10 (page 12). Nawras' share price compared to the MSM30 index throughout 2012 is shown in table 11 (page 12). Nawras' share distribution in 2012 is shown in table 12 (page 13).

Table 10: Nawras share trading throughout 2012

Month	Volume	Turnover	Trades	High price	Low price	Closing price	Previous close	Difference %	Difference (OMR)	Last price	Security Cap (OMR)
January	5,152,607	3,304,698	863	0.655	0.627	0.632	0.650	-2.8	-0.018	0.627	411,396,753
February	9,346,404	5,826,197	1,598	0.639	0.610	0.629	0.632	-0.5	-0.003	0.630	409,443,921
March	11,054,056	6,915,339	1,024	0.636	0.595	0.599	0.629	-4.8	-0.030	0.596	389,915,594
April	4,608,831	2,719,970	875	0.606	0.549	0.551	0.599	-8.0	-0.048	0.549	358,670,271
May	4,614,885	2,377,513	765	0.550	0.491	0.518	0.551	-6.0	-0.033	0.525	337,189,111
June	4,298,192	2,196,191	335	0.523	0.501	0.509	0.518	-1.7	-0.009	0.508	331,330,613
July	1,941,251	955,419	387	0.510	0.469	0.470	0.509	-7.7	-0.039	0.470	305,943,788
August	3,201,420	1,497,071	333	0.475	0.461	0.469	0.470	-0.2	-0.001	0.470	305,292,844
September	12,274,859	5,909,948	1,138	0.517	0.429	0.501	0.469	6.8	0.032	0.505	326,123,059
October	9,558,267	4,856,120	1,026	0.552	0.483	0.488	0.501	-2.6	-0.013	0.486	317,660,784
November	3,675,919	1,783,059	498	0.495	0.469	0.470	0.488	-3.7	-0.018	0.470	305,943,788
December	8,081,400	3,793,603	881	0.484	0.456	0.461	0.470	-1.9	-0.009	0.457	300,085,290
Total	77,808,091	42,135,131	9,723								

Table 11: Nawras share price compared to MSM30 index throughout 2012

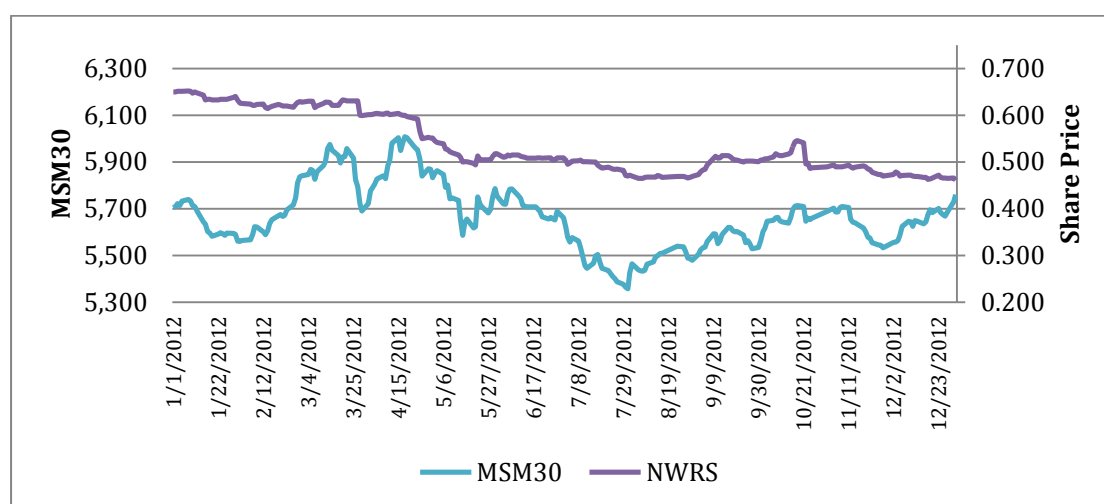


Table 12: Nawras Share Distribution (in terms of ownership)

Month	Omani	Non Omani	Non Omani		
			GCC	Arab	Foreigner
January	35.3%	64.7%	61.8%	0.1%	2.9%
February	35.6%	64.4%	61.9%	0.1%	2.4%
March	35.6%	64.4%	62.2%	0.1%	2.1%
April	35.6%	64.4%	62.1%	0.1%	2.2%
May	35.7%	64.3%	62.1%	0.1%	2.1%
June	35.7%	64.3%	62.4%	0.2%	1.8%
July	35.8%	64.2%	62.3%	0.2%	1.8%
August	35.7%	64.3%	62.4%	0.2%	1.7%
September	35.4%	64.6%	62.7%	0.2%	1.8%
October	35.4%	64.6%	62.7%	0.2%	1.8%
November	35.4%	64.6%	62.7%	0.2%	1.8%
December	35.2%	64.8%	63.0%	0.2%	1.7%

Qtel is the only shareholder that 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 Telecommunications Regulatory Authority (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 it to remedy any concerns raised.

Below is a summary of the material regulatory decisions that relate to Nawras made by the TRA during 2012:

- Frequency penalties – in 2012 the company worked with the TRA to perform a reconciliation of certain Nawras information against the corresponding information held by the TRA. One outcome of the process was that it was determined that Nawras was in breach of certain obligations relating to the frequencies utilised by Nawras. The TRA penalised Nawras in an amount of OMR 10,782.56 in respect of the breaches. The penalty was paid during 2012.
- Wimax violation – the TRA issued Nawras with a violation notice for making Wimax modem installation service mandatory. This was against the TRA's approval for the service, in which it requested Nawras to make the installation service optional. No fine was issued and the matter was closed with Nawras changing its process.
- Wimax violation – in November 2012, the TRA issued Nawras with a violation notice for differentiating outdoor and indoor Wimax modem prices. The TRA's approval was subject to non-differentiation in modem prices regardless of coverage strength. Nawras was requested to propose remedies for this violation. A penalty has not yet been determined and the issue is on-going.

Apart from the above regulatory noncompliance, 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 and future trading 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 organisation that ensures risk management is an essential part of the company's culture and strategic decision-making through an Enterprise Risk Management (ERM) function. The 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. The company is required to present the status of internal control and arrangements for risk management to its senior management and report the same to the Board of Directors on a quarterly basis.

External auditor

The company's external auditors in respect of 2012 were Deloitte & Touche. The total fees for audit and related services paid to the auditors in respect of 2012 were OMR 49,576.

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 relevant regulatory requirements and have been formalised, 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.