

REPORT ON CORPORATE GOVERNANCE

1. Introduction

Majan College SAOG (Majan University College) (formerly College of Administrative Sciences) was founded in September 1995 as the first private College of Higher Education in Oman. Majan was nicknamed "The Businessmen College". It is always the objective of Majan to provide the business community with the best human resources and sharpen the skills of the staff of the companies. As such, Majan achieves its aim in contributing to the development of the business community.

Majan is centrally located near the business district of Muscat (MBD). It is well equipped and its infrastructure provides the latest and best available resources in technology, communication and professional expertise. The computer labs are increasing in number and utilization. More computer-based education is becoming prevalent at Majan.

The main objective of Majan is to provide high quality education to its students. In doing so, Majan hopes to be able to meet the students' interests and help them to gain qualifications which will equip them for the requirements of work. This includes developing the students concern in ethics, self-actualization and academic success.

2. Majan's Philosophy

Majan College SAOG (Majan University College) is listed in Muscat Stock Exchange. Majan has been set with the aim of serving the society by promoting it culturally by contributing to intellectual advancement, scientific progress, human values development and by providing the country with specialists, professionals and experts. This is further reflected in Majan's new vision and mission statement approved by the Board of Directors:

Vision statement

"Recognising potential, engaging minds, transforming futures"

Mission statement

to provide an innovative learning environment that supports students in reaching their full potential in a changing world. The key strategic themes underlying the mission statement are to enhance the student experience; build teaching excellence and research; develop operational excellence; develop productive partnerships; invest in people; and promote financial and environmental sustainability

Majan is managed by 5 board members who have successfully steered Majan to a successful organization; and to a potentially bright future.

The need to having robust internal controls has been met by forming the Internal Audit Committee and appointing the Internal Auditor. The Internal Auditor's observations have been extremely helpful in putting in place actions for rectifying any issues identified.

The Board Members are aware of good governance requirements as stipulated in the Corporate Governance Code issued by Capital Market Authority and are committed to the requirements laid out therein.

3. Objectives

Majan aims at maximising the value of shareholders in the long run by offering quality services to students and the society. In order to ethically realize this objective, work procedures have been directed so as to make sure that Majan will carry the work according to the best practices and comply with the "Code of Corporate Governance for Muscat Stock Exchange listed companies" issued by the Capital Market Authority.

Majan considers the observation of the highest standards of organization and management as a deeply rooted belief and not as mere adherence to set of rules and regulations. Such a belief is an inseparable component of the basic values of Majan.

4. Governance Fundamental Requirements

- Disclosure, responsibility and clarity regarding the appropriate control systems adopted by Majan to enable the Board of Directors to perform its duties and responsibilities efficiently and effectively.
- Identification and management of major possible risks.

5. Process of nominating Board members

Majan's Board is governed by **5** members. Members are elected from amongst the shareholders and from outside. Membership term of the Board is for 3 years. The Chairman and the Deputy Chairman of the Board of Directors are elected by the Members of the Board. The Chairman represents Majan Board in legal and other issues. The Deputy Chairman stands in for the Chairman during his absence. It is not allowed for a Board Member of Majan to have membership of more than 4 companies on the Board of public shareholding company whose head office is located in Oman. The Board has to meet at least 4 times during the year with the maximum gap of 120 days between them.

6. Board of Directors

The Board of Directors have full authority to perform all acts required for the management of Majan in the course of achieving its objectives in line with the Law, articles of association and the resolutions of its Annual General Meeting.

The Board of Directors adopts resolutions by the absolute majority of its members. However, the Board of Directors shall not perform certain acts unless authorized to do so by a resolution of the general meeting as stated in the Articles of Association. The members of the Board of Directors shall be liable to Majan, the shareholders and third parties for any damages resulting from their performing acts beyond the scope of their powers.

The resolutions of the Board of Directors are implemented as per internal regulations under the supervision of the chairman and the control of the Board. The Chairman and the Board members take part in the directorship of other companies.

6.1 Functions of the Board of Directors

- a) Approves the financial and commercial policies aimed at achieving College's objectives and increasing shareholders equity.
- b) Sets, reviews and updates the plans necessary for the implementation of Majan's strategy.
- c) Approves the internal regulations and systems adopted by Majan in the course of its action and determines the authorities and powers of the executive management.
- d) Approves Majan's Disclosure Policy and follows its execution according to the requirements of controlling authorities.
- e) Approves the policy for the delegation and implementation of duties entrusted to the executive management. Such policies are clear regarding tenders (open, limited or individual), limits of cash spending and discretion as not to accept the lowest tender provided that reasons are included in the commissioning decision.
- f) Monitors the work of the executive management to ensure that the work is progressing in pursuit of College objectives without violating applicable laws and regulations.
- g) Review the related parties transactions which are outside the normal work scope before being presented to the general meeting.
- h) Approves and presents information to shareholders accurately and timely according to the disclosure instructions issued by the Authority.
- i) Review the performance of Majan and assesses its activities and management.
- j) Forms committees required for carrying out the work. The forming decisions include names of members, determines their responsibilities, duties and rights.
- k) Appoint the Dean and senior staff and determines their responsibilities and rights.
- l) Appraises the performance and work of committees formed by the Board of Directors and senior staff.
- m) Approves the quarterly and annual financial statements.
- n) The Board of Directors include in the annual report presented to the general meeting a statement confirming the ability of Majan to pursue its activities as defined in the Articles of Association. The statement is supported with the necessary assumptions and documents.

6.2 The Board of Directors Secretariat and Minutes

- a) Immediately following the election of the Board of Directors in the general meeting, the Board appoints a secretary to the Board.
- b) The secretary of the Board writes the proceedings of all the Board meetings in the form of minutes expressing all the subjects and important details being discussed and the resolutions adopted. The minutes include the names of those present and their votes for or against any resolution. The Minutes are dated and serially numbered.
- c) Mr. Amr Ebeid is presently the secretary to the Board. He takes notes of the minutes of the Board meetings and proceedings in the form of minutes and clarifies in it all the issues and important details which have been discussed and all the decisions which have been taken in Board meetings. Also in co-ordination with the Dean he is responsible to disclose all the important decisions from the Board according to the regulations relating to the disclosure.

7. The Board Members

Name	Nature of membership	Representing	Profile	Memberships start date	Membership expiry date
Dr. Salam Salim Al Mur Al Kindi (Chairman of the Board and Nomination and Remuneration Committee)	Independent/Non-executive	Self	Fellow of the Royal College of Internal Medicine and the number of years of experience is 28 years in academic and health institutions	24/11/2020	Next AGM
Mr. Rashid Amer Mohamed Al Musalhi (Vice Chairman and Member of the Audit and the Nomination and Remuneration Committees)	Non-Independent/Non-Executive	OCCI	Bachelor of Human Resources and has private businesses in contracting and medical centers and others	26/3/2019	Next AGM
Dr. Aly Darwish Hagi Aly Al – Shamali (Chairman of the Audit Committee)	Independent/Non-executive	Self	PhD in marketing management and the number of years of experience 31 years in academic and investment institutions	26/3/2019	Next AGM
Mr. Naser Abdul Mohseen Mohamed Ali Al Marri (Ex-Board Member)	Non-Independent/Non-Executive	Human Investment LLC Oman	Bachelor of Administrative Sciences and the number of years of experience 37 years in the field of investment	26/3/2019	30-06-2021
Dr. Sarah Aly Darwish Hagi Aly Al – Shamali (Member of the Audit and Nomination and Remuneration Committees)	Independent/Non-Executive	Self	Professor in Business and holds multiple position as Board member and CEO in Kuwaiti organizations	26/3/2019	Next AGM
Sh. Sabah Salman Dawoud Al Salman Al Sabah	Independent/Non-Executive	Self	(Bachelor of Law and works in many positions in Kuwaiti organizations	26/3/2019	24/11/2020
Mr. Emad A-Deen Fahmi Nemer Assaf (Temporary Board Member and Member of the Audit Committee)	Independent/Non-Executive	Self	Master in Business Administration and 16 years of experience in the telecommunications, industries and investment sectors	30-06-2021	Next AGM

8. Meetings of the Board of Directors during the Financial Year 2020/21

Name	Designation	Nationality	Meetings attended
Dr. Salam Salim Al Mur Al Kindi	Chairman of the board	Omani	4
Mr.Rashid Amer Mohamed Al Musalhi	Vice Chairman	Omani	6
Dr. Aly Darwish Hagi Aly Al – Shamali	Board Member	Kuwaiti	6
Dr. Sarah Aly Darwish Hagi Aly Al – Shamali	Board Member	Kuwaiti	6
Mr. Naser Abdul Mohseen Mohamed Ali Al Marri	Ex-Board Member	Kuwaiti	5
Mr. Emad A-Deen Fahmi Nemer Assaf	Board Member	Jordanian	1

Total number of meetings held – 6

9. Minimum information to be placed before the Board

In order to facilitate proper governance, amongst others, the minimum information to be placed before the Board as per the Code, is provided to the Board.

10. Meetings and dates of Board and Committees

Sl. No.	Board Meetings	Audit Committee	Nomination and Remuneration Committee
1.	28/10/2020	28/10/2020	28/10/2020
2.	08/11/2020	30/12/2020	24/11/2020
3.	24/11/2020	28/03/2021	28/03/2021
4.	30/12/2020	30/06/2021	30/06/2021
5.	28/03/2021	NA	NA
6.	30/06/2021	NA	NA

11. Audit Committee functions and authority:

As per the corporate governance regulation the Audit Committee carries out the following functions:

- Investigates and studies issues related to the appointment of an External auditor including remuneration, terms of reference, and the extent to which additional services may affect the independence and neutrality of the auditor.
- Reviews the Audit work plan, the auditing results and reassures the right of the auditors to inspect all necessary documents.
- Inspects the cases of financial fraud and forgery done by producing misrepresented figures in the financial statements and sets strict control procedures that will ensure the application of proper accounting policies and practices and reflects the actual financial position of Majan.
- Supervises the internal auditing activities by reviewing the scope of the work plan set for the internal auditor, studying the internal auditor reports covering the most important issues and ensuring the internal auditor inspection of all relevant documents.
- The Internal Audit Committee also periodically reviews and investigates the efficiency and effectiveness of the internal auditing process.
- Reassures the suitability and efficiency of the internal controls adopted by Majan by relying on either the periodical reports of the internal auditor or the external auditor or by relying on other experts.
- Supervises aspects related to the preparation of financial statements including review of the quarterly and annual financial results before being published, reviewing the external auditors' qualifications on financial results if any, studies and discusses accounting policies and principles in general, ensuring compliance with the international Financial Reporting Standards Majan's adherence to the disclosure requirements issued by the Capital Market Authority.
- Acts as a communication channel between the Board of Directors and both the internal auditor and the external auditors.
- Reviews Majan policy for 'risk management' and investigates the reasons for Majan's failure to implement, if any.

- Review any proposed dealings and transactions with the related parties, submits recommendations to the Board of Directors and seeks to set the necessary regulations to enable Majan to enter into low value transactions with these parties without requiring the advance approval of the audit committee and Board of Directors.

11.1 Audit committee work procedures

- The committee meets on periodical basis, at least 4 times during the year with the maximum gap of 120 days between them.
 - The committee's meeting is valid and legal when attended by a majority of its members.
 - The committee is fully authorized to perform its functions.
 - The committee shall take note of the External auditors opinion before referring the annual accounts to the Board of Directors for decision.
 - The term of office for both the Committee and the Board shall end at the same time (simultaneously). The new Board of Directors shall reconstitute the Committee according to the same procedures.

11.2 Internal Control

The Audit Committee has reviewed, on behalf of the Board, the internal control findings by meeting the internal auditor, reviewing the internal audit reports and recommendations and meeting the external auditor, reviewing the audit findings report and the management letter.

The internal audit function started in February 2004 and is on-going, where issues are identified and action plans are put in place to operationalise them. The Board also reviews the quarterly operational reports generated by the Management of Majan, which compares the budget and the actual.

11.3 Meetings of the Audit Committee during the financial year 2020/21

No	Name	Designation	Meetings attended
1.	Dr. Aly Darwish Hagi Aly Al Shamali	Chairman of Audit Committee	3
2.	Mr.Rashid Amer Mohamed Al Musalhi	Member of Audit Committee	4
3.	Dr. Sarah Aly Darwish Hagi Aly Al Shamali	Ex- Member of Audit Committee	1
4.	Dr. Salam Salim Al Mur Al Kindi	Ex- Member of Audit Committee	3

- Total number of meetings held – 4

12. NOMINATION AND REMUNERATION COMMITTEE

- As per the corporate governance regulation, The committee have the following responsibilities:
 - a) Provide succession planning for the executive management.
 - b) Develop a succession policy or plan for the board or at least the chairperson.
 - c) Prepare detailed job descriptions of the role and responsibilities for directors including the chairperson. This will facilitate orientate directors towards their tasks and roles, and appraise their performance.
 - d) Look for and nominate qualified persons to act as interim directors on the board in the event of a seat becomes vacant.
 - e) Notwithstanding the articles of association of the company, look for and nominate qualified persons to assume senior executive positions, as required or directed by the board.
 - f) Prepare a bonus, allowances and incentive policy for the executive management.
 - g) Review such policies periodically, considering market conditions and company performance.
 - h) Taking into consideration avoiding conflict of interests, the committee may, upon obtaining the approval of the board, seek the assistance and advice of any other party in order to better deliver its tasks.

12.1 Meetings of the Nomination and Remuneration Committee during the financial year 2020/21

No.	Name	Designation	Meetings attended
1	Dr. Salam Salim Al Mur Al Kindi	Chairman of Nomination and Remuneration Committee	1
2	Mr.Rashid Amer Mohamed Al Musalhi	Member of Nomination and Remuneration Committee	4
3	Dr. Sarah Aly Darwish Hagi Aly Al – Shamali	Member of Nomination and Remuneration Committee	4
4	Dr. Aly Darwish Hagi Aly Al – Shamali	Ex Chairman of Nomination and Remuneration Committee	2
5	Mr. Naser Abdul Mohseen Mohamed Ali Al Marri	Ex Chairman of Nomination and Remuneration Committee	1

- Total number of meetings held – 4

13. Means of Communication with Shareholders and Investors

Majan discloses its quarterly financial statements by publishing in the newspapers and uploading copies in the MSX website www.msx.om (for easy public access). The annual report along with the audited financial statements is sent to the shareholders with the Notice of the AGM.

14. Related party transactions

a) A total of RO 25,000 was paid as sitting fees and expenses of the Board of Directors and the committees during 2020-2021 and detailed as follows:

Name	Sitting Fees for Board meeting (RO)	Sitting fees for Audit committee meeting (RO)	Sitting fees for Nomination and Remuneration committee meeting (RO)
Dr. Salam Salim Al Mur Al Kindi	2,050	1,350	500
Mr.Rashid Amer Mohamed Al Musalhi	3,000	1,800	1,800
Mr. Naser Abdul Mohsen Mohamed Ali Al Marri	2,650	Not Applicable	500
Dr. Aly Darwish Hagi Aly Al - Shamali	3,100	1,500	1,000
Dr. Sarah Aly Darwish Hagi Aly Al - Shamali	3,000	450	1,800
Mr. Emad A-Deen Fahmi Nemer Assaf	500	-	Not Applicable

b) Directors remuneration is NIL

c) Majan has accounted for RO 262,936 as salaries and other related cost paid and payable to the top five senior management personnel of Majan. The five senior management consists of:

Name	Designation	Profile
Dr. Maha Kobeil	Dean	Joined in 2000 Has over 33 years of academic experience.
Ms. Nabila Al Macki	Deputy Dean for Academic affaires	Joined in 2002 and has 30 years of experience.
Mr. Amr Ebeid	Chief Finance, Governance and Investor relations	Joined in 2008 and has 19 years of experience
Dr. Ammar Al Balushi	Head of Faculty Business Management	Joined in 2019 and has 16 years of experience.
Dr. Susan Roper	Associate Dean - Planning & Risk Management	Joined in 2021 and has 41 years of experience.

d) All the employees have employment contracts in accordance with the Omani Labour Laws with regard to service, notice period and end of service benefits

15. Analysis according to the number of shareholders number of shares and ratios as on 31.8.2021:

Percentage of shareholding

	No. of shares	%
More than 10%	78,264,230	87
From 1 to 10%	4,287,942	4.8
From 150,000 shares to less than 900,000 shares	4,918,799	5.4
Less than 150,000 shares	2,529,029	2.8
Total	90,000,000	100%

Distribution of shareholding

	No. of shareholders	No. of shares
More than 10%	2	78,264,230
From 1 to 10%	1	4,287,942
From 150,000 shares to less than 900,000shares	12	4,918,799
Less than 150,000 shares	231	2,529,029
Total	246	90,000,000

16. Analysis according to the monthly lowest and highest price for Majan shares:

	Month	Lowest Price (R.O.)	Highest Price in (R.O.)	Closing Price in (R.O.)
1	September 2020	0.168	0.186	0.17
2	October 2020	NA	NA	NA
3	November 2020	0.177	0.184	0.178
4	December 2020	0.16	0.165	0.16
5	January 2021	0.148	0.16	0.148
6	February 2021	0.14	0.159	0.159
7	March 2021	0.144	0.156	0.159
8	April 2021	0.145	0.155	0.146
9	May 2021	0.149	0.152	0.15
10	June 2021	0.142	0.16	0.15
11	July 2021	NA	NA	NA
12	August 2021	0.155	0.16	0.158

17. Independent consultant for the Board appraisal

The appraisal of the current Board was conducted for the year ended 31.8.2019 by Keynote Services LLC, independent consultants, appointed at the AGM held on 26/11/2018. The next appraisal will be done after the next board elections for the new Board as a whole as well as each individual member of the new Board. The criteria for appraisal of the current Board for the year ended 31.8.2019 was pre-approved by the Board and AGM. The report of the consultant for year ended 31.8.2019 was received by the Board and necessary action, if any, to improve the performance of the Board has been initiated

18. Statutory Auditors

Baker Tilly MKM (Oman) LLC are the external auditors and they are a member of Baker Tilly International, one of the world's leading organizations providing accounting, taxation and business advisory services, via firms in 147 countries with more than 30,000 people.

Details on Audit and other fees paid and payable to Majan

	RO
Current year audit services	5,600

19. The Internal Auditor

Majan appointed Mr. Karim Essam as fulltime internal audit manager. He is a member of ACCA with EX Big four firms experience.

20. The Legal Advisor

Majan appointed as legal advisors – Mr. Ibrahim Al Muselhi – Advocates and Legal Consultants.

21. General Meetings

AGM: This was held on 24/11/2020 under the Chairmanship of Vice Chairman Mr. Rashid Amer Mohamed Al Musalhi to discuss the financial statements and to appoint the external auditor for 2020/2021. There was 87.87% attendance. Dr. Ali Darwish Hagi Aly Al Shamali and Sh. Sabah Salman Dawoud Al Salman Al Sabah, apologized from attending the meeting

EGM:

- Held on 24/11/2020 under the Chairmanship of Vice Chairman Mr. Rashid Amer Mohamed Al Musalhi to approve changes in the Articles of incorporation. There was 87.87% attendance. Dr. Ali Darwish Hagi Aly Al Shamali and Sh. Sabah Salman Dawoud Al Salman Al Sabah apologized from attending the meeting.



22. Acknowledgment by the Board of Directors as at 31st August 2021

The Directors are required by the Commercial Companies Law 2019, as amended, to prepare financial statements for each financial year in accordance with the International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") to fairly reflect the financial position of Majan and its performance during the relevant financial period.

In preparing the financial statements, the Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent
- ensured that all applicable accounting standards have been followed; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that Majan have adequate resources to continue in operational existence for the foreseeable future.

The Directors have the responsibility of ensuring that Majan maintains accounting records that disclose with reasonable accuracy the financial position of the Company and enables them to ensure that the financial statements comply with Commercial Companies Law 2019, as amended.

The Board affirms its overall responsibility for Majan's systems of internal controls and risk management and for reviewing the adequacy and integrity of those systems. It should be noted, however, that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. In addition, it should be noted that any system can provide only reasonable, and not absolute, assurance against material misstatement or loss

23. Details of non-compliance by Majan

Majan has complied with all regulatory requirements issued by Capital Market Authority, Muscat Stock Exchange, Ministry of Higher Education, research and innovation and and other regulatory bodies. Majan was not exposed to any non-compliance penalties.

Dr. Salam Salim Al Mur Al Kindi
Chairman