



Corporate Governance Report

In accordance with the guidelines issued by the Capital Market Authority (“CMA”) vide circular 1/2003 and E/4/2015 (“Code of Corporate Governance” or the “Code”) which was amended vide circular E/4/2015 and became effective on 22 June 2016, the Board of Directors and Management of the Company hereby present their Corporate Governance Report for the year ended 31 December 2019.

Company’s Philosophy

The Company’s philosophy of corporate governance is based on four main components: to enhance Shareholder value through continuous improvement of the business process; to display the highest ethical standards at all Company levels; to observe compliance with laws, permits and regulations; and to ensure full transparency on all financial and corporate matters towards internal and external stakeholders.

The current Board of Directors was elected on 21 March 2017, and its members’ term of office shall remain in force for a period of three years and until the third annual general meeting of the Company. The composition of the Board of Directors is diverse contributing to and ensuring reliable and effective operation of the Company. The executive management of the Company was appointed by the Board of Directors. Simultaneously, an Audit Committee was established in 2014 and is currently composed of three Non-Executive Directors with a high level of experience in financial matters. In addition, a Nomination and Remuneration Committee was established in 2016, comprising three Directors.

The Company is operated in line with a robust business framework comprising detailed policies and procedures that assure full compliance with the requirements of the Code. These are regularly reviewed and kept up to date for optimal control. Material information is transparently disclosed to the Muscat Securities Market in a timely manner which can be accessed by the relevant stakeholders.

In 2015, the Company and its Operator, Phoenix Operation and Maintenance Company LLC (“POMCo”), achieved certification to OHSAS 18001 (2007), ISO 14001 (2015) and ISO 9001 (2015) covering the areas of health, safety, environment and quality. In 2019 the Company and POMCo transitioned from OHSAS 18001 to the most current health and safety standard, ISO 45001 (2018). Following annual surveillance audit both the Company and POMCo were reaccredited to ISO 14001 (2015) and ISO 9001 (2015) and accredited to the new ISO 45001 (2018) standards.

In addition, during the year 2019 the Company and its Operator have been awarded a Gold Award by the Royal Society for the Prevention of Accidents (RoSPA) for the third year in succession.



Board of Directors

The Board of Directors were elected on 21 March 2017 in accordance with Article 18 of the Articles of Association. In 2019 a number of Directors resigned and were replaced. Details of the various Directors and 2019 meetings are as follows.

Name of Director	Capacity	Category#	BM	AGM	BM	BM	BM
			26 Feb.	19 Mar.	23 Apr.	30 Jul.	29 Oct.
Mr. Khalid Jolo	Non-Executive	Independent (Representing Nebras Power QSC)	●	●	●	P	●
Mr. Peter Jones	Non-Executive	Non-Independent (Representing Axia Power Holdings B.V.)	●	●	●	●	●
Mr. Carlos Alcazar	Non-Executive	Independent	●		●	●	●
Mr. Tomoki Nishino	Non-Executive	Independent	●		●	P	●
Mr. Wataru Motomiya (*)	Non-Executive	Non-Independent (Representing JERA)	●		P	-	-
Mr. Naoki Takahashi (*)	Non-Executive	Independent	●		P	-	-
Mr. Hiromi Sakakibara (*), (**)	Non-Executive	Non-Independent (Representing JERA)				P	●
Mr. Motoharu Nakada (**)	Non-Executive	Independent	-		-	●	●
Mr. Jun Sano (**)	Non-Executive	Non-Independent (Representing JERA)	-		-	-	-



● : Attended, P : Proxy, - : not in seat

(*) Resigned during the year (**) Appointed during the year

The above classification as Non-independent/ Independent director is as per the definition that exists in the Code.

Directorship / membership in other public companies (SAOG companies) in Oman as of 31 December 2019;

Name of Directors	Position held	Name of the Company
Mr. Khalid Jolo	None	None
Mr. Peter Jones	None	None
Mr. Carlos Alcazar	None	None
Mr. Tomoki Nishino	None	None
Mr. Jun Sano	None	None
Mr. Motoharu Nakada	None	None

The profile of the Directors and management team is included as an annexure to the Corporate Governance Report.

External assessment of the Internal Audit Unit.

As required by Article 27 of the Decision No. 18/2018 issued by Capital Market Authority (CMA), external Assessment of the Internal Audit Unit of the company was carried out for the year 2019 by MGI Vision Chartered Accountants (the Consultants). The Consultants concluded that the internal audit activities of the Company **Generally Conforms** to the regulations of CMA's Decision No. 10/2018 relating to internal audit activity and to the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA).

The Consultants also provided recommendations to enhance the effectiveness of the Internal Audit function and enable the company to reach to level of conformity with the requirement of the Decision No. 10/2018 issued by CMA and standards of IPPF issued by IIA. The recommendations of the Consultants will be considered by the Company.



Audit Committee

The Audit Committee meets with the external and internal auditors without the executive management of the business being present.

The primary purpose of the Committee is to ensure that internal and external audit processes are carried out in the best interests of all stakeholders and to assist the Board of Directors and the management of the Company in fulfilling their responsibilities, which include;

- Agreeing the nature and scope of audits and reviewing the audit plan;
- Maintaining the integrity of the Company's financial statements;
- Ensuring the Company's compliance with legal and regulatory requirements;
- Performance of the Company's internal audit, external audit and Government Audit functions.

Consistent with the function above, the Audit Committee encourages management to engage in continuous improvement of the Company's policies and procedures. The Audit Committee has an open channel of communication with the internal auditor, external auditors, financial and senior management and other Board of Directors.

The latest Audit Committee Charter is aligned with the latest Code of Corporate Governance.

The Audit Committee comprises of 3 Directors appointed by the Board of Directors and meets at least four times annually, reporting to the Board of Directors. The current members were appointed by the Board of Directors between the period 24 April 2018 to 30 July 2019 and all members of the Audit Committee are non-executive.

The composition of the Audit Committee members in 2019 is as follows.

Name of Directors	Category	26 Feb.	23 Apr.	30 Jul.	29 Oct.
Mr. Tomoki Nishino	Chairman	●	●	P	●
Mr. Peter Jones	Member	●	●	●	●
Mr. Naoki Takahashi	Member (*)	●	P	-	-
Mr. Motoharu Nakada	Member (**)	-	-	●	●

● : Attended, P : Proxy, - : not in seat

(*) Resigned during the year (**) Appointed during the year

Nomination and Remuneration Committee

A Nomination and Remuneration Committee has been established by the Board of Directors of the Company in accordance with the requirements of the Corporate Code of Governance. The primary purpose of the Nomination and Remuneration Committee is to assist the general meeting of the shareholders in the nomination of proficient directors and election of the most fit for purpose candidates and the Board of Directors in selecting the appropriate and necessary executives for the executive management which the Company requires in order to achieve its strategic and operational objectives.

The Terms of Reference of the Nomination and Remuneration Committee has been issued in July 2016 which is in line with the Code.

The Nomination and Remuneration Committee comprises 3 Directors appointed by the Board of Directors and meets at least two times annually, reporting to the Board of Directors. All members of the Nomination and Remuneration Committee are non-executive.

The composition of the Nomination and Remuneration Committee members in 2019 is as follows.

Name of Directors	Category	26 Feb.	23 Apr.	29 Oct.
Mr. Carlos Alcazar	Chairman	●	●	●
Mr. Khalid Jolo	Member	●	●	●
Mr. Naoki Takahashi	Member(*)	●	P	-
Mr. Motoharu Nakada	Member(**)	-	-	●

● : Attended, P : Proxy

(*) Resigned during the year (**) Appointed during the year

Process of Nomination of Directors

Directors are nominated and elected as per the Commercial Company Law and the Article of Association. The term of office of the Directors shall be for a maximum period of 3 years, subject to re-election where 3 years for this purpose is the period ending on the date of the third Annual General Meeting. The current term will expire at the Annual General Meeting in 2020. If the office of a Director becomes vacant in the period between two Ordinary General Meetings, the Board of Directors may appoint a temporary Director who satisfies the requirements specified in Company's Articles of Associations to assume his/her office until the next Annual General Meeting.



Remuneration Matters

a) Directors and Audit Committee members

There is no individual sitting fees for the Board of Directors, Audit Committee members and Nomination and Remuneration Committee members.

b) Top 3 key management personnel

The Company paid to its top 3 key management personnel an aggregate amount of RO 267,699 which includes salaries, performance related discretionary bonus and other benefits.

c) Details of performance based bonuses, awards and incentives

Bonus payments for the key management personnel of Phoenix Power Company are based on both personal and business performance and are related to the achievement of business KPIs including health and safety targets, technical performance and financial delivery. The bonuses to be paid are based on recommendations from the Nomination and Remuneration Committee.

d) Employment contracts

The key management personnel have employment contracts with Phoenix Power Company and all have notice periods, under the terms of those contracts, of three months.

Details of non-compliance by the Company

There were no penalties levied on the Company by CMA, MSM or any other statutory authority on any matter related to the capital markets in 2019.

Means of communication with the shareholders and investors

The Company communicates with the shareholders and investors in both English and Arabic mainly through the MSM website and the Company's website. Material information is disclosed immediately, and financial information such as initial quarterly or annual un-audited financial results, un-audited interim financial statements, and audited annual financial statements are disclosed within the regulatory deadlines. The Company's executive management is also available to meet its shareholders and analysts as and when required.

Related Party Transactions

A detail of the related party transactions which the Company have carried out for the financial year ended 31 December 2019 is as follows.

	Name of the Party	Nature of work	Amount
1	Axia Power Holdings B.V.	Consulting Service Agreement	RO 41,142
2	JERA Co., Inc.	Consulting Service Agreement	RO 24,685
3	Phoenix Operation and Maintenance Company LLC	O&M Fee and expense (as per O&M contract)	RO 8,929,642
4	Others	Consulting Service Agreement	RO 16,457

Market Price Data

d) High/low share price and performance comparison during each month in 2019.

Month	Price (Baiza)			MSM Service Sector Index
	High	Low	Average	
January	95	95	95	2142.44
February	92	92	92	2079.39
March	93	93	93	1979.61
April	87	86	86	2034.26
May	83	81	82	1975.07
June	84	83	83	1915.80
July	78	76	77	1838.60
August	84	77	80	1873.58
September	88	85	86	1950.53
October	75	75	75	1909.84
November	72	70	71	1954.94
December	67	66	66	1896.58



e) Distribution of shareholding as of 31 December 2019:

Category	Number of shareholders	Number of shares held	Share capital %
5% and above	5	1,129,708,437	77.23
Less than 5%	7,357	332,893,023	22.77
Total	7,680	1,462,601,460	100

Professional Profile of the Statutory Auditor

EY is a global leader in assurance, tax, transaction and advisory services. EY is committed to doing its part in building a better working world. The insights and quality services which EY delivers help build trust and confidence in the capital markets and in economies the world over.

The MENA practice of EY has been operating in the region since 1923 and employs over 7,000 professionals. EY has been operating in Oman since 1974 and is a leading professional services firm in the country. EY MENA forms part of EY's EMEIA practice, with over 4,889 partners and approximately 124,318 professionals. Globally, EY operates in more than 150 countries and employs 328,597 professionals in 700 offices. Please visit ey.com for more information about EY.

Remuneration of the Statutory Auditor

The professional fees paid / due during the year 2019 are as follows:

Particulars	RO
Audit fees	12,500
Total	12,500



Acknowledgement by the Board of Directors

The Board of Directors confirm their responsibility for the preparation of the financial statements in line with International Financial Reporting Standards (“IFRS”), the disclosures requirements of the CMA and the Commercial Companies Law of 2019. The Board of Directors confirms that it has reviewed the efficiency and adequacy of the internal control systems of the Company, and is pleased to inform the shareholders that adequate and appropriate internal controls are in place, which are in compliance with the relevant rules and regulations. The Board of Directors confirms that there are no material matters that would affect the continuity of the Company, and its ability to continue its operations during the next financial year.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Pae", enclosed in a blue oval and followed by a horizontal line.

Chief Executive Officer

A handwritten signature in blue ink, consisting of stylized initials.

Chief Financial Officer



Brief Profiles of the Directors

Name: Mr. Khalid Jolo

Position: Chairman

Education: Mr. Jolo holds a degree in Mechanical Engineering from the Faculty of Engineering, Qatar University.

Experience: Mr. Khalid Jolo has more than 23 years of experience in various capacities like Senior Project Engineer, Project Director, and Business Development Manager. Immediately after his engineering studies, he joined with Ministry of Electricity, Qatar in the mid-1990s. Later, he joined Qatar Electricity & Water Co, Q.S.C. ("QEWCo") as Senior Project Engineer in 1997. QEWCo is considered as one of the first private sector companies that operates in the field of power generation and water production in the region, owning and operating power generation and water desalination stations using the most up to-date technologies in the world. He has headed the QEWCo Business Development team in the recent past, which was very successful in garnering a few of the recent prestigious projects in Qatar. At present, Mr. Jolo, is the Chief Executive Officer for Nebras Power Co.

List of Other Directorships: In addition to Phoenix Power Company SAOG, Mr. Jolo is also a director of the following companies:

Ras Girtas Power Company, Qatar

Ras Laffan Power Co., Qatar

Umm Al Houl Power Co., Qatar

Nebras Power, Qatar

Shams Maan Power Generation, Jordan

Nebras Power Netherlands B.V.

IPM Indonesia Netherlands, B.V.

IPM Asia, Indonesia

Paiton Energy, Indonesia

Nebras Power Latin America



Name: Mr. Peter Jones

Position: Deputy Chairman

Education: Mr. Jones holds a Bachelor's Degree in Instrumentation and Electronics, and a Diploma in Management Studies

Experience: Mr. Jones has over 35 years' experience within the power industry comprising a career path with a demonstrable track record of success within the UK and International power sectors. Mr. Jones experience includes 12 years spent with PowerGen (both in the UK and internationally) encompassing roles leading to Plant Manager of an oil fired power station in the UK and culminating in Plant Director for a CCGT plant in Budapest, Hungary. This was followed by a period of 10 years with the Swiss Energy Company, Alpiq, where he was Director of Operations and Maintenance for their European power assets, based in Prague, Czech Republic and becoming Managing Director of Alpiq Power Generation, France, with responsibility for a CCGT business in the central region of the country

Recently and following a period of 4 years during which Mr. Jones served as Chief Executive Officer for Phoenix Power Company, he joined Marubeni Power Asset Management in April 2018 as Director of Operations and Maintenance for Middle East and Africa.

List of Other Directorships: In addition to Phoenix Power Company SAOG, Mr. Jones is also a director of the following companies:

Non-Executive Director, Asian Gulf Power Services, UAE

Non-Executive Director, Fujairah II O&M Company, UAE

Non-Executive Director, Chairman, Shuweihat II O&M Company, UAE

Non-Executive Director, Chairman, Ash Sharqiyah O&M Company, KSA



Brief Profiles of the Directors (continued)

Name: Mr. Carlos Alcazar

Position: Director

Education: Mr. Alcazar holds a Masters Degree in Electrical Engineering and a Masters Degree in Business and Administration from I.E. Business School.

Experience: Mr. Alcazar is a professional engineer and has over 25 years' of experience in the power industry. Having initially worked in consultancy for coal fired Stations and in Power project construction, he moved into operational roles working in different countries (Kenya, Spain, Taiwan, Switzerland, UAE) holding several management positions. Mr. Alcazar worked in both merchant as well as in contracted environments and was Plant Manager in Stations in Spain and Taiwan before he moved into General Manager Generation position in Switzerland where he was responsible for a global fleet of CCGT plants for Alstom Power. Mr. Alcazar joined Marubeni Power Asset Management in 2010 and is presently holding the position of Director of Operations and Maintenance for Middle East and Africa working for the fleet in the Region.

List of Other Directorships: In addition to Phoenix Power Company SAOG, Mr. Alcazar is also a director of the following companies:

Non-Executive Director, Amin Renewable Energy Company, Oman

Non-Executive Director, Ruwais Power Company, UAE

Non-Executive Director, Taweelah Asia Power Company, UAE

Non-Executive Director, Mesaieed Power Company, Qatar

Non-Executive Director, Chairman Taweelah A2 Operating, UAE

Non-Executive Director, Emirates CMS Power Company, UAE

Non-Executive Director, Fujairah Asia Power Company, UAE

Non-Executive Director, Power Cogeneration Plant Company, KSA

Non-Executive Director, Sweihan PV Power Company, UAE



Name: Mr. Tomoki Nishino

Position: Director

Education: Mr. Nishino holds a Master of Business Administration (MBA) from Kellogg School of Management, Evanston, Illinois, USA-2006

Experience: Mr. Nishino started his career in 1996 working for Hokkaido Electric Power Company Co., Inc. In 2006 after finishing his MBA programme, Mr. Nishino was seconded to Japan Bank for International Cooperation until 2009. Mr. Nishino then joined Marubeni in 2009 and has been involved in the development phase of Sur IPP since the summer of 2010, mainly working on negotiating the project documents and finance agreements. From November 2011 to June 2015, Mr. Nishino worked as Chief Financial Officer of Phoenix Power, and after returning from Phoenix Power to Marubeni, Mr. Nishino continues to work for the development of IPP projects in the Middle East, Africa, and Southwest Asia.

List of Other Directorships: In addition to Phoenix Power Company SAOG, Mr. Nishino is also a director of the following companies:

Non-Executive Director, Power Cogeneration Power Company, KSA

Non-Executive Director, Ash Sharqiyah O&M Company, KSA

Non-Executive Director, A.R.C.H W.L.L., KSA



Name: Mr. Jun Sano

Position: Director

Education: Mr. Sano holds a Master of Science from Stanford University, USA.

Experience: Mr. Sano started his career in TEPCO in 1992 as a mechanical engineer and has been involved in operation, maintenance and performance management of various thermal power plants. He has been engaged in overseas consulting, IPPs development, operation and maintenance including F class GTCC and coal power plant projects for more than 9 years. Mr. Sano is the Senior Manager of the Overseas Project Management Unit, Business Management Group, Business Development Department of JERA. He is responsible for IPPs management in the Middle East.

List of Other Directorships: In addition to Phoenix Power Company SAOG, Mr. Sano is also a director of the following company:

Non-Executive Director, ITM O&M Company, UAE

Name: Mr. Motoharu Nakada

Position: Director

Education: Mr. Nakada holds a bachelor's degree in mechanical engineering

Experience: Mr. Nakada started his career in CEPCO in 1994 as a mechanical engineer and has been involved in operation, construction, maintenance and performance management of various thermal power plants of CEPCO. He has been involved F class GTCC, coal power plant and LNG terminal construction projects. He has been engaged in overseas consulting, IPPs development, Operation and Maintenance for more than 10 years. Mr. Nakada is the Senior Manager of the Overseas Project Management Unit, Business Management Group, Business Development Department of JERA Company. He is responsible for IPPs management in the Middle East and North America area.

List of Other Directorships: In addition to Phoenix Power Company SAOG, Mr. Nakada is also a director of the following company:

Non-Executive Director, NatGas Holdings 2, L.L.C., USA and Paiton Energy, Indonesia



Brief Profiles of the Key Executive Officers

Name: Mr. Paul Adam Atkinson

Position: Chief Executive Officer

Year of Joining: 2018

Education: Mr. Atkinson holds a Bachelor’s degree in Mechanical Engineering and has been a Chartered Mechanical Engineer for over 25 years.

Experience: Mr. Atkinson joined Phoenix Power with a background of over 35 years’ experience within the power industry including 12 years spent with Rolls-Royce encompassing roles leading to Site Manager at one of the UK’s Submarine Nuclear refit facilities and Engineering Manager. This was followed by a period of 17 years with Enron, GDFSuez (ENGIE) and International Power, where he held various Operational, Engineering and Project roles including group Engineering Manager, and Plant General Manager at the 2,000 MW Teesside Power Station. Immediately prior to joining Phoenix Power, Mr. Atkinson held the position of Executive Managing Director at Emirates CMS Power Company, UAE, with responsibility for a Power and Water generation business in the Emirate of Abu Dhabi.

Name: Mr. Koichi Matsumoto

Position: Chief Financial Officer

Year of Joining: 2018

Education: Mr. Matsumoto holds a Bachelor’s degree in economics from Kyoto University and MBA from Waseda Graduate School of Finance, Accounting and Law.

Experience: Mr. Matsumoto joined Phoenix Power Company in 2018 with over 10 years’ experience within the utility sector. He has been in charge of management accounting and commodity risk management as an assistant manager in Tokyo Gas Company Ltd. until 2015. He joined Marubeni in 2016 and managed consolidating financial figures of all Marubeni’s power assets in Middle east regions for closing, annual budget, quarterly forecast, and mid-to-long term projection. He was also responsible for a strategic cross border tax planning and led a direct communication with statutory auditor.



Name: Mr. Khalid Al Maawali ¹

Position: Commercial Manager

Year of Joining: 2014

Education: Mr. Al Maawali holds a Bachelor's Degree in Process Operation and Maintenance Engineering from Caledonian College of Engineering and MBA from Franklin University

Experience: Mr. Khalid has over 18 years' experience in the power sector, and he has in depth experience in combined cycle power plant. He worked for 14 years as a shift charge engineer in the operations department in BARKA II power plant. He joined Phoenix Power Company in 2014 as the Commercial Manager. His main responsibilities include contract management, ensuring compliance with statutory and regulatory obligations, asset management, plant performance and interface with local stakeholders in the project.

¹ Mr. Khalid Al Maawali remains the PPC Commercial Manager registered under the PPC Commercial License until such time that Mr. Yaarub Al Naabi assumes full responsibility for the role.
