



Corporate Governance Annual Report 2014

1. Dana Gas: Early Corporate Governance Vision

Dana Gas has recognized from the outset that the adoption of best corporate governance practices is fundamental to building a sound commercial reputation for a corporation aspiring to be a leading oil and gas company in the Middle East. The first step in this regard was taken in April 2006 a few months after the incorporation of the Company. Dana Gas commissioned the International Finance Corporation (part of the World Bank Group) to assess corporate governance practices within the Company and make appropriate recommendations with a view to improve the effectiveness of the Board of Directors, strengthen the control environment and ensure that the disclosure and transparency practices of the Company are consistent with international best practice.

The second step was in 2010 when the Company amended its Articles of Association to be consistent with the provisions of the Ministerial Resolution No. 518/2009 Concerning Governance Rules and Corporate Discipline Standards. Since that time the Company has diligently implemented the prescribed norms of institutional control standards at all levels. At the level of the Board of Directors, the Corporate Governance Committee and the Audit Committee are committed to ensuring compliance with applicable regulations. The Corporate Governance Committee presents reports on corporate governance matters periodically to the Board of Directors. Further, the Head of Internal Control and Audit and the Compliance Officer oversee commitment and adherence to corporate governance standards by employees, departments, subsidiaries and counterparties.

The commitment of the Board of Directors and executive management of Dana Gas to achieve the strategic objective of the Company of realizing sustained growth and long term value for its Shareholders is predicated on a firm commitment to corporate governance standards. Compliance with corporate standards precepts is deemed to be an effective instrument in ensuring transparency, effective control and high performance necessary to translate the Company's plans and business goals into projects, and value to the Shareholders, whilst serving the interests of other stakeholders.

2. Dealings of Directors and Employees and their Relatives in the Securities of the Company

In furtherance of Dana Gas' goal to ensure transparency, with respect to insiders' dealings the Company adopted in June 2011 the Rules Governing Dealings by Directors and Employees in the Securities of the Company.

The Rules include relevant provisions in the regulations issued by the Securities and Commodities Authority and Abu Dhabi Stock Exchange which in turn substantially reflect international standards.

The Rules define the periods during which Directors and Employees are not permitted to deal in the Company's securities consistent with the ban periods set out in the Securities and Commodities Authority Resolution No. 2/2001.

There were two (2) dealings by Board of Directors in the Securities of the Company during the year 2014.

Board Member	Investor No.	Exchange Type	Amount	Date
Mr. Nasser Al-Nowais	UAE101001453603	Buying	75,000	15/5/2014
Dr. Patrick Allman-Ward	GBR000761218408	Buying	550,000	14/9/2014

3. The Board of Directors

Powers of the Board of Directors:

According to the Company's Articles of Association the management of the Company vests in its Board of Directors. The Board of Directors all the powers necessary for the management of the Company and accomplishing its goals.

Responsibilities of the Board of Directors:

The main responsibilities of the Board of Directors include:

1. Establishment and approval of the Company's strategy and business plans;
2. Approval of the annual budget and the allocation of resources;
3. Establishing investment priorities and approving business opportunities;
4. Entering into contracts with any person, authority or corporation in matters concerning the gas and oil business as per the objects of the Company;
5. Establishing the responsibility and accountability matrix with appropriate powers;
6. Supervising soundness of financial results and reports and effectiveness of internal control;
7. Development and assessment of executive management performance;
8. Laying down the bye-laws and regulation, policies and procedures in connection with the Company's administration, financial matters and personnel affairs;
9. Deciding on the appointment and succession of senior executives;
10. Concluding loan agreements for any period of time;
11. Selling or mortgaging the Company's real estate or other assets;
12. Absolving the Company's debtors from liability; and

13. Conducting conciliation and arbitration and filing lawsuits and settling them.

The Role of the Chairman of the Board:

The Chairman presides over the meetings of the Board of Directors, ensures effectiveness of its deliberations and availability of the information necessary for discharging its functions.

The duties of the Chairman of the Board of Directors include:

1. Ensuring the effective and smooth functioning of the Board and the timely discussion of important business presented to the Board;
2. Approving the agenda of the meetings of the Board of Directors taking into consideration matters proposed by the other Directors. The Chairman may delegate this responsibility under his supervision to a Director or to the Corporate Secretary;
3. Encouraging Directors to participate actively in the deliberations of the Board to enable the Board to benefit from their knowledge and experience;
4. Establishing appropriate measures to ensure efficient participation by the Directors particularly Non-Executive Directors and to promote constructive working relationship between Executive and Non-Executive Directors, and;
5. Taking appropriate action to ensure regular interaction with Shareholders and prompt communication of their views to the Board of Directors.

A. Composition of the Board of Directors

While the Board of Directors consists of 20 seats. The actual number of directors during 2014 was 18 members. The Board is elected by the General Assembly every 3 years. The current Directors, most of whom have been on the Board since the incorporation of the Company in November 2005, were elected in June 2012. The Board of Directors comprises leading businessmen from the GCC countries, and others with considerable experience in the oil and gas sector.

Currently the Board is composed of 12 Independent Directors, 5 Non-Executive Directors and 1 Executive Director.

The current Directors are:

SN	Directors	Category	Experience	Qualifications	Years of membership since first Date of election
1	Dr. Adel Khalid Al-Sabeeh, Chairman	Non-Executive Independent	Dr. Al-Sabeeh is the Vice Chairman and CEO of National Industries Company (NIC) in Kuwait. He is also the Chairman of the Board of Directors of Dana Gas. He also held several ministerial posts like Ministry of Oil, Electricity and Water, Housing Affairs and Health. In addition, he held high esteemed positions at Kuwait University as Vice President for research.	PhD in Mechanical Engineering "North Carolina State University" USA	9
2	Dr. Tawfeeq Abdulrahman Almoayed, Vice Chairman	Non-Executive Independent	Dr. Almoayed is the Chairman of T.A. Almoayed and Sons WLL and Chairman of Almoayed Wilhelmsen Ltd. In addition he is the Vice Chairman of the Board of Directors of Dana Gas. Through numerous positions in his professional career, he has developed extensive expertise in the intricacies of successfully doing business in the Middle East. His working experience ranges from petrochemical to telecom and consultancy to shipping. He was the Founding Chairman and Managing Director of Gulf Petro-Chemical Industries Company (GPIC) in Bahrain and Founding First Deputy Chairman of Bahrain Telecommunication Company (BATELCO).	Bachelor's Degree in Electrical Engineering With 1 st Class Honors PHD in Telecommunications "London University" Fellow of the Institute of Engineering and Technology UK	9
3	Mr. Hamid Dhiya Jafar	Non-Executive Non-Independent	Mr. Hamid Jafar is the Chairman of the Board of the Crescent Group of companies. In addition to his primary business in oil and gas, Mr. Hamid has a variety of global commercial interests including container shipping, terminal operations, transport and logistics, real estate, power generation and private equity. Mr. Hamid has also	Master's Degree in Engineering (Thermodynamics and Fluid Flow) "Cambridge University" UK	9

			promoted important projects in higher education at Cambridge University. He is also an active supporter of many charities.		
4	HE Sheikh Sultan Bin Ahmed Al-Qasimi	Non-Executive Non-Independent	<p>HE Sheikh Al-Qasimi is the Deputy Chairman of the Sharjah Petroleum Council and member of the Sharjah Executive Council.</p> <p>HE Sheikh Al-Qasimi has extensive experience and accomplishments in the areas of media, culture, trade development, tourism, and oil in Sharjah as well as in the commercial and real estate sectors. He hold the position of Deputy Chairman of Sharjah Equestrian and Racing Club previously.</p>	<p>B.Sc. in Business Administration "Arkansas State University", USA</p> <p>Master's in Computer Information Systems "University of Detroit Mercy" USA</p>	9
5	Mr. Varouj Abraham Nerguizian	Non-Executive Independent	<p>Mr. Nerguizian is the Executive Director and General Manager of Bank of Sharjah since 1992. He is the Chairman and General Manager of Emirates Lebanon Bank SAL, Lebanon (member of Bank of Sharjah Group) since 2008. He is also a Founding Member and Chairman of the Lebanese Educational Fund SA and of the Lycee' Libanais Francophone Prive, Dubai a non-profit educational initiative that caters to the needs of the Lebanese and Francophone communities of the UAE since 2003.</p>	<p>Sciences Economiques "Universite' Saint Joseph" Lebanon</p> <p>"Universite' Lyon Lumiere" France</p>	9
6	Mr. Ziad Abdulla Galadari	Non-Executive Independent	<p>Mr. Ziad Abdulla Galadari is the Founder and Principal of Galadari Advocates & Legal Consultants and has been practicing as Advocate, Legal Advisor and Arbitrator since 1983. He is the Chairman of Galadari Investments Group and a member of the Board of Directors of Dubai World Trade Centre and Emirates Integrated Telecommunications Company PJSC (DU).</p> <p>In addition to this, he serves as a Chairman of the Higher Organizing Committee for Dubai International Arabian Horse Championship,</p>	<p>Bachelor's of Laws (LLB) "UAE University"</p>	9

			Board Member of the Emirates Equestrian Federation and Chairman of the Jebel Ali Racecourse Council.		
7	Mr. Majid Hamid Jafar, Board Managing Director	Non-Executive Non-Independent	<p>Mr. Majid Jafar is the CEO of Crescent Petroleum, the Middle East's oldest private oil & gas Company, and Vice-Chairman of the Crescent Group of companies. In addition, he is the Board Managing Director of Dana Gas.</p> <p>His previous experience was with Shell International's Exploration & Production and Gas & Power Divisions.</p> <p>Mr. Majid Jafar is also an active member of the World Economic Forum Global Agenda Council for Youth Unemployment, the Royal Institute for International Affairs in London, the Young Presidents Organization and the Young Arab Leaders Organization, and is an accredited Director of the Institute of Directors (IoD Mudara) in Dubai.</p>	<p>Bachelor's and Master's Degree in Engineering (Fluid Mechanics and Thermodynamics) "Cambridge University, Churchill College" UK</p> <p>MA (with distinction) in International Studies and Diplomacy from "University of London's School" of Oriental & African Studies</p> <p>MBA (with distinction) from "Harvard Business School" USA</p>	9
8	Mr. Khalid Abdulrahman Al-Rajhi	Non-Executive Independent	<p>Mr. Al-Rajhi is the Chairman of Saudi Cement Company and the Chief Executive Officer of Abdul Rahman Saleh Al Rajhi & Partners Co. Ltd (General Investments) in KSA. In addition, he serves as a Board Member of several companies. He is a Founding Member of "Pearl Initiative" in United Nations. He is also a Founding Member of the Special Fund to support research at King Fahd University of Petroleum and Minerals.</p>	<p>Bachelor's Degree in Finance "King Fahd University for Petroleum & Minerals" (KFUPM) KSA</p>	9
9	Mr. Abdulaziz Hamad Al-Jomaih	Non-Executive Independent	<p>Mr. Al-Jomaih is the Managing Director of International Investments at Aljomaih Group.</p>	<p>Master's Degree in Public Administration "University of Southern California" USA</p> <p>Bachelor's Degree in Engineering "King Saud University" Saudi Arabia</p>	9

10	Mr. Ahmed Rashid Al-Arbeed	Non-Executive Independent	Mr. Al-Arbeed is the General Manager of Seven Sisters Company in Kuwait. He served as a former Chief Executive Officer of Dana Gas. He is a former Chairman & Managing Director of Kuwait Oil Company (KOC) and also for Kuwait Foreign Petroleum Exploration Co. (KUFPEC). He established the Oil Development Company (ODC), a subsidiary of KPC.	Bachelor's Degree in Petroleum & Natural Gas Engineering "Pennsylvania State University" USA	9
11	Mr. Rashad Muhammad Al-Zubair	Non-Executive Independent	Mr. Al-Zubair is the Chairman of The Zubair Corporation (Z-Corp) in Sultanate of Oman. He is also the Chairman of Oman Arab Bank and Vice Chairman of Barr Al Jissah Resort Co. operated by Shangri-La. He is a former Deputy Chairman of the Oman Business Council and member of its founding Directors and also a former Director of Oman International Development and Investment Company SAOG (OMNIVEST) and was also a Director of the Capital Market Authority.	Bachelor's Degree in Business Administration "University of Colorado" USA	9
12	Mr. Rashid Saif Al-Jarwan	Non-Executive Non-Independent	Mr. Al-Jarwan held the position of the Executive Director of the Board of Dana Gas previously. He was acting CEO of Dana Gas for one year and the General Manager for 3 years. He held various executive and technical positions in the ADNOC Group of companies for 28 years in Abu Dhabi, of which he was GM of ADGAS for the last 8 years.	Bachelor's Degree in Petroleum & Natural Gas Engineering "Pennsylvania State University" USA	6
13	Mr. Said Youssef Arrata	Non-Executive Non-Independent	Mr. Arrata is the Chairman and CEO of Sea Dragon Energy in Canada, a public Company involved in exploration and production of oil and gas concessions operating and producing in Egypt. He is a Board Member at Deep Well Oil and Gas Incorporation. He is a former CEO of Centurion Energy International, and served in senior management positions in major global oil	B.Sc. in Petroleum Engineering "Cairo University" Several post-graduate accreditations at various universities in North America	7

			companies in Canada and around the world.		
14	Mr. Abdullah Ali Al-Majdouie	Non-Executive Independent	Mr. Al-Majdouie is the Group President and Vice Chairman of Almajdouie Group since 1986. Apart from being a Director on the Board of different government bodies and private business councils in Saudi Arabia, Mr. Al-Majdouie also holds Chairmanship of the Board of several companies based in the GCC Region.	Bachelor's and Master's Degree in Science College of Industrial Management, King Fahd University for Petroleum & Mineral (KFUPM), KSA	5
15	Mr. Nasser Mohamed Al-Nowais	Non-Executive Independent	Mr. Al-Nowais is the Chairman of Rotana Hotel Management Corp. Ltd. and Aswaq Management & Services. In addition, he is the Managing Director of Abu Dhabi Trade Center. He served as Former Under-Secretary of UAE Ministry of Finance, and a Former Chairman of Arab Insurance Group.	Bachelor's Degree in Business & Public Administration "New York University" USA	5
16	Mr. Ahmed Mohammed Al-Midfa	Non-Executive Independent	Mr. Al-Midfa is the Chairman of Al Manarah Investment Centre in Sharjah. Mr. Ahmed Al-Midfa is a prominent businessman with private investment in the real estate industry. He previously held several positions such as Director General of Sharjah Ports and Customs. He also served as Chairman of Sharjah Chamber of Commerce & Industry as well as Expo Centre in Sharjah.	Bachelor's Degree in Business Administration "Cairo University" Egypt	2
17	Mr. Salah Abdul Hadi Al-Qahtani	Non-Executive Independent	Mr. Al-Qahtani is the Vice Chairman of Abdel Hadi Abdullah Al-Qahtani & Sons Group of Companies in Dammam, and the Chairman of Young Arab Leaders in Saudi Arabia. He serves on the Board of several companies.	Bachelor's Degree in Business Administration "Houston University" USA	2
18	Dr. Patrick Allman-Ward	Executive Non-Independent	Dr. Patrick Allman Ward has been the CEO of Dana Gas since 2013, preceding which he served as General Manager of Dana Gas Egypt for a year.	Bachelor's Degree in Geology "Durham University", UK	1

			<p>Prior to this he held several senior management positions in Shell International where he gained extensive experience over more than 30 years in the field of oil and gas.</p>	<p>Master's Degree in Mineral Exploration & Mining Geology "Leicester University" UK</p> <p>PhD Degree Mining Geology "Imperial College, University of London", UK</p>	
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B. Membership of Boards of Directors in other companies

Dana Gas' Directors act as members of boards of leading companies, banks and business institutions as described below:

SN	Directors	Directorship in other companies
1	Dr. Adel Khalid Al-Sabeeh, Chairman	<ul style="list-style-type: none"> -Vice Chairman and CEO of National Industries Company (NIC), Kuwait. -Chairman, Proclad Group International Ltd. (subsidiary of National Industry Group), Kuwait -Chairman, Saudi Lime Industries, Saudi Arabia -Chairman, Saudi Insulated Blocks, Saudi Arabia -Deputy Chairman, Ikarus Petroleum Industries Company, Kuwait -Board Member, Kuwait Foundations of Advancement of Science
2	Dr. Tawfeeq Abdulrahman Almoayed, Vice Chairman	<ul style="list-style-type: none"> -Chairman, TA Almoayed and Sons WLL, Bahrain -Board Member, Kimberly Clark Holdings Company, Bahrain -Chairman, Dar Alistishara -Chairman, Almoayed Wilhelmsen Ltd., Bahrain
3	Mr. Hamid Dhiya Jafar	<ul style="list-style-type: none"> -Chairman, Crescent Group of companies -Chairman, Gulfainer Ltd. -Founding Shareholder, URUK Group -Founding Shareholder, Abraaj Capital -Founder, UAE Chapters of the Young Presidents Organization and the World Presidents Organization -Member, International Chief Executives Organization -Chairman of the Finance Committee, American University of Sharjah -Member of the Board of Trustees, American University of Sharjah
4	HE Sheikh Sultan Bin Ahmed Al-Qasimi	<ul style="list-style-type: none"> -Chairman, Sharjah Media Corporation -Chairman, Tilal Properties -Chairman, Sharjah General Services Company "Khadamat" -Deputy Chairman, Sharjah Petroleum Council -Chairman, Sharjah Pipeline Company (Anabeeb) -Chairman, Sharjah National Oil Company -Chairman, Green Planet LLC -Chairman, Medical Waste Co. (WEKAYA) LLC -Chairman, Sharjah Commerce and Tourism Development Authority -Chairman, Executive Committee for Sharjah Celebrations -Member of Sharjah Executive Council

5	Mr. Varouj Abraham Nerguizian	<ul style="list-style-type: none"> -Executive Director and General Manager, Bank of Sharjah -Chairman and General Manager, Emirates Lebanon Bank SAL, Lebanon -Board Member, Growthgate PEF -Founding Member and Chairman, Lebanese Educational Fund SA -Founding Member and Chairman, Lycee' Libanais Francophone Prive', Dubai (non-profit educational institution)
6	Mr. Ziad Abdulla Galadari	<ul style="list-style-type: none"> -Founder & Chairman, Galadari Advocates & Legal Consultants, UAE -Chairman, Galadari Investments Group, UAE -Board Member, Dubai World Trade Centre -Board Member, Emirates Integrated Telecommunications Company (DU) -Chairman, Dubai International Arabian Horse Championship -Board Member, Emirates Equestrian Federation & Chairman of Jebel Ali Racecourse Council
7	Mr. Majid Hamid Jafar, Board Managing Director	<ul style="list-style-type: none"> -CEO, Crescent Petroleum, UAE -Vice Chairman, Crescent Group of companies -Chairman, Middle East-North Africa Business Council -Chairman, Oil & Gas Independent Community at the World Economic Forum -Vice Chairman, Global Energy Initiative (GEI) -Board Member, Arab Forum for Environment and Development (AFED) -Board Member, Carnegie Middle East Center -Board Member, Iraq Energy Institute
8	Mr. Abdulaziz Hamad Al-Jomaih	<ul style="list-style-type: none"> - Managing Director, International Investments of Aljomaih Group, KSA - Chairman, Arcapita Investment, Bahrain - Board Member, Etihad Etisalat Company (Mobily), KSA - Board Member, Pearl Initiative (A United Nations Initiative), UAE
9	Mr. Ahmed Rashid Al-Arbeed	<ul style="list-style-type: none"> -Member, Kuwait Engineering Society -Member, Society of Petroleum Engineers in USA -Member, Association of International Petroleum Negotiators
10	Mr. Khalid Abdulrahman Al-Rajhi	<ul style="list-style-type: none"> -Chairman, Saudi Cement Company -Chairman, Al-Salam Schools, Al Khobar -Chairman, Procure Hospitals, Al Khobar -CEO, Abdul Rahman Saleh Al Rajhi & Partners Co. Ltd (General Investments) -Board Member, Tanami -Board Member, Bank Al Bilad -Board Member, Saudi United Cooperative Insurance -Board Member, Takween Advanced Industries -Chairman, Nomination and Remuneration Committee, Takween Advanced Industries -Chairman, Investment Committee, Saudi United Cooperative Insurance -Member, Investment Committee, Bank Al Bilad -Member, Executive Committee, Saudi United Cooperative Insurance -Founding Member, "Pearl Initiative" – United Nations
11	Mr. Rashad Muhammad Al-Zubair	<ul style="list-style-type: none"> -Chairman, The Zubair Corporation ("Z-Corp"), Sultanate of Oman -Chairman, Oman Arab Bank, Sultanate of Oman -Vice Chairman, Barr Al Jissah Resort Co. SAOC, Sultanate of Oman
12	Mr. Rashid Saif Al-Jarwan	<ul style="list-style-type: none"> - Board Member, Emirates General Petroleum Corporation (EMARAT)& EMOIL - Board Member, Oman Insurance Company - Board Member, Dubai International Financial Centre (DIFC)

		<ul style="list-style-type: none"> - Board Member, Mashreq Bank - Board Member, Al Ghurair Holding Ltd 	
13	Mr. Said Youssef Arrata	<ul style="list-style-type: none"> -Chairman and Chief Executive Officer, Sea Dragon Energy, Canada -Board Member, Deep Well Oil and Gas Incorporation, Canada 	
14	Mr. Abdullah Ali Al-Majdouie	<ul style="list-style-type: none"> -Chairman, Almajdouie De Rijke Logistic Co. -Chairman, Star Marines Services, Dubai -Chairman, Arab Union of Land Transport, Jordan -Chairman, Petrology LLC, Bahrain -Board Member, Saudi Commission for Tourism and Antiquities -Board Member, United Electronics Co. (eXtra) -Board Member, Dhahran International Exhibitions Co. -Board Member, Prince Mohammed Bin Fahd University, KSA -Board Member, Al Baha Tourism Council -Board Member, Al Ahsa Development Co. -Counseling Member, Tharawat, Dubai -Board Member of several social and charitable institutions 	
15	Mr. Nasser Mohamed Al-Nowais	<ul style="list-style-type: none"> -Chairman, Rotana Hotel Management Corp Ltd. -Chairman, Aswaq Management & Services, UAE -Managing Director, Abu Dhabi Trade Center 	
16	Mr. Ahmed Mohammed Al-Midfa	<ul style="list-style-type: none"> -Chairman, Al Manarah Investment Centre -Chairman, Ruwad Establishment at Sharjah -Board Member, United Arab Bank -Board Member, Sharjah Insurance Company -Board Member, Italian-Arab Chamber of Commerce -Board Member, National US-Arab Chamber of Commerce -Board Member, Egyptian-UAE Business Council -Board Member, Oman-UAE Business Council 	
17	Mr. Salah Abdul Hadi Al-Qahtani	<ul style="list-style-type: none"> -Vice Chairman, Abdel Hadi Abdullah Al-Qahtani & Sons Group of Companies, KSA -Chairman, Young Arab Leaders in Saudi Arabia -Founder and Director, United Gas Technology Company Ltd. -Board Member, Evolve Capital -Board Member, Merchant Bridge & Company -Board Member, "Business Owner Union" (Islamic Chamber of Commerce & Industry), Jeddah -Board Member, Strategic Planning Committee of FFA Private Bank -Board Member, National Committee for Saudi Red Crescent 	
18	Dr. Patrick Allman-Ward	<ul style="list-style-type: none"> - Member of the American Association of Petroleum Geology (AAPG) - Member of the European Association of Geoscientists and Engineers (EAGE) - Member of the Society of Petroleum Engineers (SPE) - Member of the South-East Asia Petroleum Exploration Society (SEAPEX) 	

B. Directors' Remuneration

The Directors' annual remuneration for the financial year is approved by the Annual General Assembly considering that the Company is exempted in accordance with the provisions of Federal Law No. 15 of 1998, the Company may pay Directors a fixed annual remuneration, or an additional fee or compensation to any member as recommended by the Board and approved by the Annual General Assembly. Executive Directors are not eligible to Directors' remuneration.

The details of Directors' remuneration are disclosed in the annual financial statements of the Company.

1. Remuneration of the Board of Directors for the Year 2013:

The following table shows the total remuneration of Directors for the financial year 2013, which was approved by the Annual General Assembly in April 2014.

Board Members	Total Remuneration (AED)
HH Sheikh Ahmed Bin Sultan Al-Qasimi	500,000
Dr. Adel Khalid Al-Sabeeh	500,000
Dr. Tawfeeq Almoayed	500,000
Mr. Hamid Jafar	500,000
HE Sheikh Sultan Bin Ahmed Al-Qasimi	500,000
Mr. Varouj Nerguizian	500,000
Mr. Ziad Galadari	500,000
Mr. Majid Jafar	500,000
Mr. Abdulaziz Al-Jomaih	500,000
Mr. Ahmed Al-Arbeed	500,000
Mr. Khalid Al-Rajhi	500,000
Mr. Rashad Al-Zubair	500,000
Mr. Rashid Al-Jarwan	-
Mr. Said Arrata	500,000
Mr. Abdullah Al-Majdouie	500,000
Mr. Nasser Al-Nowais	500,000
Mr. Ahmed Al-Midfa	500,000
Mr. Salah Al-Qahtani	500,000
Total	8,500,000

2. Proposed remuneration of the Board of Directors for the Year 2014:

The Board of Directors has approved in its meeting held on 26 March, 2015 the recommendation presented to it by the Remuneration & Nominations Committee that the Directors' remuneration for the year 2014 be similar to the previous year 2013 (as shown in the table above). However, the Securities and Commodities Authority requested to delete the item to consider the Board's remuneration from the Agenda of the Annual General Assembly meeting which will be held on 30th April 2015 for approval.

3. Remuneration for Committees' Meetings and Attendance for the Year 2014:

The Committees' membership allowances are disclosed in the Company's financial statements. Allowances are fixed amount paid to Committee Members where the amount of AED 100,000 is paid to Committee Chair and AED 75,000 is paid to Committee Member.

UAE non-resident Directors get attendance allowance of AED 15,000 to cover travel, accommodation and other expenses. The allowance is not granted in case of non-attendance.

The table below shows the committees' remuneration prescribed for 2014.

Board Member	Corporate Governance, Remuneration & Nominations Committee	Audit & Compliance Committee	Board Steering Committee	Total (AED)
Dr. Adel Khalid Al-Sabeeh, Chairman			75,000	75,000
Dr. Tawfeeq Almoayed, Vice Chairman			100,000	100,000
Mr. Hamid D. Jafar	75,000			75,000
HE Sheikh Sultan Bin Ahmed Al-Qasimi				-
Mr. Varouj Nerguizian		100,000	75,000	175,000
Mr. Ziad Galadari	100,000		75,000	175,000
Mr. Majid Jafar, Board Managing Director		75,000	75,000	150,000
Mr. Abdulaziz Al-Jomaih		75,000		75,000
Mr. Ahmed Al-Arbeed				-
Mr. Khalid Al-Rajhi				-
Mr. Rashad Al-Zubair	75,000			75,000
Mr. Rashid Al-Jarwan				-
Mr. Said Arrata	75,000			75,000
Mr. Abdullah Al-Majdouie	75,000			75,000
Mr. Nasser Al Nowais		75,000		75,000
Mr. Ahmed Al-Midfa	75,000			75,000
Mr. Salah Al-Qahtani		75,000		75,000
Dr. Patrick Allman-Ward, CEO				-
Total	475,000	400,000	400,000	1,275,000

C. Directors' Attendance of Board of Directors' 2014 Meetings

According to the Company's Articles of Association, the Board of Directors meets every 3 months. The Board of Directors held six (6) meetings during the year 2014, which is consistent with best corporate governance standards laid down by the Ministerial Resolution No. (518) of 2009.

The table below reflects the personal attendance for the Directors.

Board of Directors' Meetings during 2014						
Board Members	5 February	5 March	23 April	11 June	3 Sept.	20 Nov.
Dr. Adel Al-Sabeeh, Chairman	✓	✓	✓	Concall	x	x
Dr. Tawfeeq Almoayed, Vice Chairman	✓	x	✓	✓	✓	✓
Mr. Hamid Jafar	✓	x	✓	✓	Concall	✓
HE Sheikh Sultan Bin Ahmed Al-Qasimi	✓	✓	✓	✓	x	x
Mr. Varouj Nerguizian	✓	✓	✓	Concall	x	✓
Mr. Ziad Galadari	✓	✓	✓	Concall	✓	✓
Mr. Majid Jafar, Board Managing Director	✓	x	Concall	Concall	Concall	✓
Mr. Abdulaziz Al-Jomaih	x	x	✓	✓	✓	✓
Mr. Ahmed Al-Arbeed	✓	✓	x	✓	x	✓
Mr. Khalid Al-Rajhi	Concall	✓	✓	Concall	x	✓
Mr. Rashad Al-Zubair	✓	✓	x	✓	x	x
Mr. Rashid Al-Jarwan	x	✓	✓	x	✓	✓
Mr. Said Arrata	✓	x	✓	✓	x	✓
Mr. Abdullah Al-Majdouie	✓	✓	✓	x	✓	✓
Mr. Nasser Al-Nowais	✓	✓	✓	x	✓	✓
Mr. Ahmed Al-Midfa	x	✓	✓	x	✓	✓
Mr. Salah Al-Qahtani	✓	x	✓	x	✓	x
Dr. Patrick Allman-Ward, CEO Since April 2014	(N/A)	(N/A)	✓	✓	Concall	✓

(✓) Attend

(x) Absent

(N/A) Not Applicable

D. Responsibilities and Authority of the Executive Management

The Board of Directors has delegated the Company's executive management the following responsibilities:

1. To manage the day to day affairs and business of the Company and to implement the plans and policies laid down by the Board of Directors for achieving Company's strategies;
2. To identify, pursue and submit studies and proposals relating to business development and new investment opportunities;
3. To submit to the Board of Directors periodic reports about the business of the Company, its financial position, internal control procedures and the measures taken to manage risks;
4. To provide the Board of Directors, on a timely basis, with the information and documents required for efficient conduct of Board meetings;
5. To provide regulatory bodies (Ministry of Economy, Securities and Commodities Authority, Abu Dhabi Securities Exchange) with information, disclosure statements and documents as required in accordance with applicable laws, rules and regulations.

E. Details of Related Parties' Transactions

Related parties include joint ventures, major shareholders, Directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties.

	<u>2014</u>		<u>2013</u>	
	<u>Revenues</u>	<u>Fees for Mgmt Svcs</u>	<u>Revenues</u>	<u>Fees for Mgmt Svcs</u>
	<i>USD mm</i>	<i>USD mm</i>	<i>USD mm</i>	<i>USD mm</i>
Joint ventures	1	2	1	2
Major Shareholders	-	1	-	1
	<u>1</u>	<u>3</u>	<u>1</u>	<u>3</u>

F. Senior Executives of the Company

The following table shows the names of the Senior Executives of the Company with their designations, appointment dates and total remuneration and bonus paid to them for 2014.

Name	Job Title	Date of Appointment	Total remuneration for 2014 (Salary + Allowances) (AED)	Total Bonuses Paid in 2014 (AED)
Dr. Patrick Allman-Ward	Chief Executive Officer	Sept. 2013	2,552,912	1,428,002

3. External Auditors

a. Brief Summary on External Auditors

The Company's external auditors, Ernst & Young, is one of the top tier audit firms with a network of 167,000 employees in more than 140 countries. It is an independent professional firm, which has been in the region since 1923 and has evolved during this period to become one of the largest four companies for accounting services in the world. The firm's areas of work include oil and gas, banks, financial institutions, technology and commerce, health care, infrastructure, industrial, leisure in addition to consumer products and allied sectors.

b. External Auditors' Fees

The Company's external auditors are appointed by Annual General Assembly of Shareholders for one year renewable term. E&Y were first appointed as the Company's external auditors in 2005. They have been successively appointed and re-appointed as external auditors for the past nine years.

In April 23rd, 2014 the Annual General Assembly re-appointed Ernst & Young as external auditors for the Company's financial accounts for the year 2015. No other external auditors other than E&Y provided any other services during 2014. Their audit fees for the annual Financial Statements for 2014 amounts to AED 350,000 as approved by AGM and the total fees for auditing the group is AED 1.2 Million. The external auditors' fees are disclosed in the Company's Annual Financial Statements.

Name of External Auditors	E&Y
Years of appointment	9 years
Total fees for 2014 (AED)	AED 1.2 Million
Fees for other services beside auditing Financial Statements (AED)” : Issuance of financial certificates to SCA for the Company's increase of share capital	AED 29,000

4. The Audit and Compliance Committee (A&C)

a. The Audit and Compliance Committee is composed of the following Members:

Members of the Committee	Title
Mr. Varouj Nerguizian	Chair-Independent Director
Mr. Majid Jafar	Non-Executive Director
Mr. Abdulaziz Al-Jomaih	Independent Director
Mr. Nasser Al-Nowais	Independent Director
Mr. Salah Al-Qahtani	Independent Director

Most of the Members of the Audit Committee come from a financial, business or banking background and are familiar with financial, accounting, banking and business matters. A majority of the Members of the Committee are Independent Directors.

The Audit and Compliance Committee assists the Board of Directors in performing functions of supervision and control of the financial affairs of the Company and ensuring compliance with applicable financial and accounting policies and regulations.

In the discharge of the tasks entrusted to it the Committee carries out the following functions:

1. Supervision of the preparation and compiling of the Company's financial statements and preparation of financial reports;
2. Reviewing the annual and quarterly financial statements;
3. Ensuring that the Company's financial statements and reports represent a true and authentic statement of the Company's financial affairs;
4. Reviewing risk management and internal control procedures;
5. Recommending fees for the Company's external auditors;
6. Review and recommend Internal Audit Department's plans and activities.

In addition to the above the Committee performs the functions prescribed in the Ministerial Resolutions No. 518/2009.

b. The table below shows the number and dates of meetings held by A&C Committee during 2014

Members of the A&C Committee	Dates of meetings				
	28 January	4 March	1 May	4 August	11 November
Mr. Varouj Nerguizian, Chair	✓	✓	Concall	Concall	Concall
Mr. Majid Jafar	X	Concall	Proxy	Concall	X
Mr. Abdulaziz Al-Jomaih	Proxy	X	Concall	Proxy	Concall
Mr. Nasser Al-Nowais	Concall	Concall	X	X	Concall
Mr. Salah Al-Qahtani	X	X	X	X	Concall

(✓) Attend

(x) Absent

5. Corporate Governance, Remuneration & Nomination Committee (CGR&NC)

a. The Corporate Governance, Remuneration & Nominations Committee is composed of the following Members:

Members of the Committee	Title
Mr. Ziad Galadari	Chair-Independent Director
Mr. Hamid D. Jafar	Non-Executive Director
Mr. Said Arrata	Non-Executive Director
Mr. Rashad Al-Zubair	Independent Director
Mr. Abdulla Al-Majdouie	Independent Director
Mr. Ahmed Al-Midfa	Independent Director

The majority of the members of the Committee are Independent Directors. They possess considerable knowledge and expertise in corporate governance, nominations, and remuneration, salaries and benefits policies.

The Committee oversees the compliance of the governing bodies of the Company, the General Assembly, the Board of Directors and executive management with corporate governance best practice. The Committee also assists the Board in relation to the appointment of senior executives, appraisal of management performance, succession plans, remuneration policies and nominations to the Board of Directors membership.

To achieve its objectives the Committee exercises the following functions:

1. Preparing remuneration, salary, benefits incentives policies and proposals;
2. Making proposals for human resources policies to improve performance and promote work environment and loyalty;
3. Recommending appropriate corporate governance standards and overseeing Board of Directors' procedures and performance;
4. Reviewing non-financial disclosure standards;
5. Reviewing Directors' remuneration and making appropriate recommendations to the Board;
6. Reviewing and approving senior employees' succession plans;
7. Maintaining good relationships with Shareholders, investors and regulators;
8. Conducting and supervising nominations to the Board of Directors.

In addition the Committee performs the other functions ascribed to it by the Ministerial Resolution No. 518/2009.

b. The table below shows the number and dates of meetings held by CGR&N Committee during 2014:

	Dates of meetings				
	4 February	4 March	10 June	2 Sept.	18 Nov.
Members of the CGR&N Committee					
Mr. Ziad Galadari, Chair	✓	✓	Concall	✓	✓
Mr. Hamid Jafar	✓	x	x	x	✓
Mr. Said Arrata	✓	x	✓	x	✓
Mr. Rashad Al-Zubair	✓	x	Concall	x	x
Mr. Abdulla Al-Majdouie	Concall	✓	x	Concall	✓
Mr. Ahmed Al-Midfa	x	Concall	x	✓	✓

(✓) Attend

(x) Absent

6. Internal Control System

- a. The Board of Directors established an Internal Control Department and defined its functions and appointed a manager for the department who reports to the Board of Directors on the following:

1. Assessing and scrutinizing the various risks facing the Company;
2. Preparing risks register to be updated quarterly and annually;
3. Preparing audit plan for the risks and the register in accordance with the directions of the Board of Directors and the Audit and Compliance Committee;
4. Ensuring availability of resources to carry out audit work and internal audit plan;

5. Implementing the plan and submit a periodical report to the Board of Directors and to the Audit Committee with observations on the procedures taken by the executive management with respect to them.
- b. The Internal Control Department enjoys independence in performing its functions. It reports to the Board of Directors which acknowledges its responsibility for the internal control system and its effectiveness. The Head of Internal Control & Audit adopts the appropriate procedures to ensure the implementation of the directives of the Board of Directors in this regard. He raises any violations of the Company's regulations, policies and Board's directives to the Board of Directors to take appropriate action.

The Internal Control Department audits the internal control systems of the Company, its subsidiaries and affiliates with significant shares owned by Dana Gas. The Department has full power and authority to obtain information on those companies from any of its employees and its various departments at group level.

The Head of Internal Control & Audit prepares an annual audit plan and submits it to the Board of Directors for approval. The plan involves a comprehensive assessment of the risks facing the Company.

The Head of Internal Control & Audit reports all major issues with respect to internal control deficiencies identified during its review and audit to Dana Gas Board of Directors, besides also informing the CEO for corrective actions. The audit reports were shared with the external auditors while they were engaged in auditing the Company's annual financial statements. However, during 2014, no major issues were identified that could require a disclosure in the annual financial reports for the year.

The Head of Internal Control & Audit, Mr. Muhammed Ali Baig, was appointed in December 2010. He has 26 years of experience working with multinational organizations in Pakistan, Middle East, United States and in the GCC countries with "Arthur Andersen" Company for 6 years and with "Qatar Gas" for 4 years.

c. Whistle Blowing Mechanism:

The Internal Control department has the mandate from the Board to investigate and form an independent opinion on all matters concerning deficiencies or breakdown in internal control environment. One such tool is the Whistleblowing mechanism whereby employees can anonymously raise a concern pertaining to such matters. The Head of Internal Control & Audit leads the Business Ethics Committee – that is responsible to address all complaints raised by this system.

Since the Head of Internal Control department reports directly to the Board of Directors, any major problems with respect to internal control or incidence of fraudulent activities would also be promptly communicated to the Board.

d. Compliance Officer:

Dr. Mohamed Nour Eldin Eltahir has been appointed as Compliance Officer for the Company by a Board Resolution No. 25/2012 dated 18 November 2012 with the duties and functions prescribed in the Securities and Commodities Regulations from time to time. Dr. Mohamed is a holder of a Phd degree in Law from the University of Cambridge with over thirty (30) years of experience in legal practice.

7. Compliance during 2014

The Company did not commit any regulatory violations during the fiscal year 2014 and consequently no fines or penalties were imposed on the Company.

8. Corporate contributions towards community and environment

Dana Gas' corporate social responsibility activities cover the countries where it operates. The Company's objective has been to play an active role supporting local communities located within its vicinity. Dana Gas has implemented a number of projects and programs in education, health and social activities in accordance with an annual corporate social responsibility plan approved by the Board of Directors.

The table below shows some of the Company's social contributions during the year 2014:

The Company's Corporate Social Responsibility during the year 2014		
Institution	Purpose	Activity
UAE		
The University of Cambridge, The American University of Sharjah	Education	Supporting the "Dana Gas Chemical Engineer" program
University of Sharjah	Education	Dana Gas Award for top graduates with honors
Tareek Al Zuhur Community	Community	Sponsoring charity events
Awladouna Center for Learning and Rehabilitation, Sharjah	Education	Supply stationary materials for students with special needs

<i>Egypt</i>		
Dakahlia, Sharkia and Damietta Governorates	Health	Renovation of a local health clinic serving a population of 3,000 villagers. The renovation included facilities upgrade, new medical equipment, addition of medical equipment, in addition to medical waste disposal system, enhancement of doctors' housing on site and training of the local medical staff.
Local Community Development Authority	Community	Construction and equipping a local village bakery and providing two local communities with bakery products on a daily basis.
Schools in areas where the Company operates	Education	Financing the integration of a mobile IT classes on Personal Computers labs in two primary schools serving a total of 1,500 students. The IT lab integration program also featured the distribution of 30 laptops to the top students. The laptops were distributed during a community ceremony attended by local government officials and Dana Gas' senior management.
Several major Oil and Gas Companies	Energy Conservation	Supporting the national campaign for efficient use of energy resources in Egypt. The campaign included TV, radio and outdoor media release raising the awareness to ensure efficiency of the usage of energy at the household level.
<i>Iraq</i>		
Directorate of Education–Kurdistan Region of Iraq	Education	Hiring 13 vehicles to transport around 145 students from remote villages to their schools on a regular basis
Directorate of Agriculture in Qader Karam	Health	Hiring machineries to open access roads to remote villages at the area of Dana Gas' operations in Qader Karma Sub-District.
Qader Karam Municipality	Community	Construction and renovation works for public lavatories in Kader Karam
Mayoralty of Chamchamal	Community	Provision of prefab cabins to different public offices in Chamchamal
District of Qader Karam	Health	Contributions to help families to get proper health services
District of Qader Karam	Community	Fuel to power generators of 12 villages
Directorate of Electricity in Qader Karam	Community	Supplying 24/7 electricity power to Qader Karam town and five small villages in the area
Directorate of Water in Qader Karam	Health	Provided portable drinking water to three villages

9. General Information

- a. Schedule of share price in the market at the end of each month of the fiscal year of 2014

Date	Month-End	High	Low
30 January	0.94	0.95	0.93
27 February	0.87	0.90	0.84
31 March	0.82	0.84	0.81
30 April	0.86	0.86	0.84
29 May	0.84	0.84	0.81
30 June	0.60	0.63	0.59
31 July	0.72	0.73	0.71
29 August	0.72	0.72	0.70
30 September	0.69	0.71	0.68
31 October	0.60	0.61	0.60
28 November	0.59	0.59	0.57
31 December	0.50	0.53	0.45

- b. Statement on Company's shares performance with the market index

Date	DG Price	ADX Index	Energy Index
1 January	0.90	4359.20	2075.30
1 February	0.92	4692.88	2080.88
1 March	0.88	4944.16	2025.54
1 April	0.82	4954.22	1881.30
1 May	0.85	5058.44	1898.45
1 June	0.85	5157.66	1948.30
1 July	0.59	4579.40	1416.56
1 August	0.71	4992.52	1614.15
1 September	0.73	5128.57	1668.09
1 October	0.71	5130.23	1609.49
1 November	0.60	4927.43	1385.09
1 December	0.59	4666.01	1299.82

c. Statement of Shareholders' ownership as of 31/12/2014

Type	UAE	GCC	Arab	Others
Individuals	1,566,573,002	1,078,181,997	302,679,476	171,081,972
Companies	1,007,978,416	752,470,090	19,148,909	2,027,854,301
Governments	21,813,025	13,200,000	-	2,198,936,273
TOTAL	2,596,364,443	1,843,852,087	321,828,385	-
6,960,981,188				

d. Statement of Shareholders owning 5% or more of the Company's capital

Investor Name	Citizenship	Quantity	%
Crescent Petroleum Co. Ltd.	GBR	1,328,108,236	19.08%

e. Major events encountered by the Company during 2014

1. In February 2014, the Company signed the North El Arish offshore (Block 6) concession, Mediterranean Sea.
2. In February 2014, the Company carried out an upgrade and maintenance work and tie-in work program in El Wastani Gas Plant in Egypt to enable increase the production output capacity by 40 mmscfd to reach 200 mmscfd which represents 25% (equivalent to 6,650 barrels of boepd per day).
3. In April 2014, the Company was awarded for the best Sukuk restructuring deal of the year which amounts to \$1 Billion Dollars.
4. In April 2014 the Company participated in and sponsored the "Trade UAE-Iraq" 2014 Forum in Erbil, Kurdistan Region of Iraq by joining the UAE trade delegation which involved more than 70 UAE companies.
5. During the period from January to June 2014 the company issued shares worth \$ 72 Million which resulted in reduction of the convertible Sukuk from \$ 425 Million to \$ 353 Million.
6. In August 2014, the Company signed a Gas Production Enhancement Agreement with the Egyptian Government through a 7-year work program. The generated of the sales of the condensate will eventually allow reduction of the Company's Egyptian outstanding receivables.

7. In September 2014, the Company secured a \$100 Million Term Facility Agreement to finance production in the Zora Western Offshore Concession which is a joint project between Sharjah and Ajman.
8. In September 2014, the Company was awarded El Matariya (Block 3) onshore concession in Nile Delta on 50% basis with BP.
9. In September 2014, the Company was awarded the North El Salhiya (Block 1) onshore concession in Nile Delta.
10. On 18th September 2014, sales of petroleum products were resumed in the local market within Kurdistan Region of Iraq (KRI) which enabled Dana Gas and its partners to realize revenues from their operations in the region.

Communication with Shareholders, Investors and Media:

Dana Gas is keen to maintain regular contacts with its Shareholders, investors and financial analysts to inform them on the Company's business activities and financial position through regular direct meetings with financials, press and Shareholders through the Annual General Assembly Meetings in addition to regular press releases for important developments and activities. All information about the Company's activities and its financial affairs are also available at the Company's website www.danagas.com



Dr. Adel Khalid Al-Sabeeh
Chairman of the Board

19th April 2015

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