



Corporate Governance Annual Report 2013

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.

In 2010 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 policies and regulations. The Corporate Governance Committee presents reports on corporate governance matters periodically to the Board of Directors. Further, Internal Control Manager and the Compliance Officer oversee commitment and adherence to corporate governance guidelines by employees, departments, subsidiaries and counterparties.

The commitment of the Board of Directors and executive management of Dana Gas to achieve the strategic objectives of the Company in 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 objectives into projects and value and strengthen the confidence of 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 enhance transparency, the Company adopted in June 2011 the Rules Governing Dealings by Directors and Employees in the Securities of the Company.

The Rules include all 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 three (3) dealings by Board of Directors and their relatives in the Securities of the Company during the year 2013. It should be noted that none of the Directors or Employees of the Company traded in the Company's securities during the banned periods.

Board Member	Investor No.	Exchange Type	Amount	Date
Mr. Rashid Saif Al-Jarwan	UAE202000612103	Buying	360,120	15/8/2013
Mr. Abdulaziz Hamad Al-Jomaih	SAU001055133977	Buying	2,750,000	12/11/2013
Mr. Ziad Galadari	UAE201000635003	Buying	2,000,000	16/5/2013

3. The Board of Directors

A. Powers of the Board of Directors:

According to the Company's Articles of Association the management of the Company shall vest in its Board of Directors. The Board of Directors has all the powers concerning the management of the Company to accomplish all goals as required to reach its business objectives.

Functions 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 in keeping with the objectives of the Company;
5. Establishing the responsibility and accountability matrix with appropriate powers of authority;
6. Supervising the soundness of the financial results and reports and the effectiveness of the internal controls;
7. Assessment and development of executive management performance;
8. Laying down the bye-laws and regulation, policies and procedures in connection with the Company's administration and financial matters and personnel matters;
9. Deciding on the appointment and succession of senior executives;
10. Conclusion of loan agreements for any period of time;

11. Selling and mortgaging the Company's real estate or other assets;
12. Absolving the Company's debtors from liability; and
13. Authorizing the conducting of conciliation and arbitration proceedings and in the filing of lawsuits and the settling of them.

The Role of the Chairman of the Board:

The Chairman presides over the meetings of the Board of Directors, ensures the effectiveness of its deliberations and the 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 all 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 opinions to the Board of Directors.

B. Composition of the Board of Directors

While the Board of Directors consists of 20 seats only 17 seats were occupied during 2013. 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.

The Board is composed of 11 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 including Minister of Oil, Electricity and Water, Housing Affairs and Health. In addition, he held an esteemed position at Kuwait University as Vice President for research.	PhD in Mechanical Engineering "North Carolina State University" USA	8
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. He is the Vice Chairman of the Board of Directors of Dana Gas, the Vice Chairman of A.K. Almoayed Group and Board Member of Kimberly Clark Holding Company. He has held numerous positions in his career whereby his professional expertise has been applied to the complexities of doing business successfully in the Middle East. Dr. Almoayed is recognized as a partner, co-investor and strategic advisor to regional and internal multinationals operating in the Gulf Cooperative Council States. His working experience includes petrochemicals, telecoms, consultancy and shipping.	Bachelors Degree in Electrical Engineering with First Class Honors PHD in Telecommunications "Queen Mary College, London University" Fellow of the Institution of Engineering and Technology UK	8
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	Masters Degree in Engineering (Thermodynamics and Fluid Flow) "Cambridge University" UK	8

			shipping, terminal operations, transport and logistics, real estate, power generation and private equity. Mr. Hamid has also 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 Chairman of Sharjah Pipeline Co. (Anabeeb).</p> <p>In addition, he is the Chairman of the Board of several companies such as Basma Group, Green Plant LLC, Sharjah Media Corporation and the Medical Waste Company (WEKAYA) LLC.</p> <p>HE Sheikh Al-Qasimi has extensive experience in the areas of trade development, tourism, media and oil as well as in the commercial sector.</p>	<p>B.Sc. in Business Administration "Arkansas State University", USA</p> <p>Masters in Computer Information Systems "University of Detroit Mercy" USA</p>	8
5	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 Chairman and Board Member of the Board of Directors of several companies. He is the Chairman of Procure Hospitals, Chairman of the Al-Salam Schools and Founding Member of "Pearl Initiative", 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>Bachelors Degree in Finance "King Fahd University for Petroleum & Minerals" (KFUPM) KSA</p>	8
6	Mr. Abdulaziz Hamad Al-Jomaih	Non-Executive Independent	<p>Mr. Al-Jomaih is the Managing Director of International Investments of Aljomaih Group. In addition, he is Vice Chairman of Arcapita Bank in Bahrain and Managing Director of Pergola Holding & its subsidiaries.</p>	<p>Masters Degree in Public Administration "University of Southern California" USA</p> <p>Bachelors Degree in Engineering "King Saud University" Saudi Arabia</p>	8

7	Mr. Ahmed Rashid Al-Arbeed	Non-Executive Non-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.	Bachelors Degree in Petroleum & Natural Gas Engineering "Pennsylvania State University" USA	8
8	Mr. Majid Hamid Jafar	Non-Executive Non-Independent	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. His previous experience was with Shell International's Exploration & Production and Gas & Power Divisions. 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.	Bachelors and Masters Degree in Engineering (Fluid Mechanics and Thermodynamics) "Cambridge University, Churchill College" UK MA (with distinction) in International Studies and Diplomacy from "University of London's School" of Oriental & African Studies MBA (with distinction) from "Harvard Business School" USA	8
9	Mr. Varouj Abraham Nerguizian	Non-Executive Independent	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.	Sciences Economiques "Universite' Saint Joseph" Lebanon "Universite' Lyon Lumiere" France	8

10	Mr. Rashad Muhammad Al-Zubair	Non-Executive Independent	<p>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 Company operated by Shangri-La.</p> <p>He is a former Deputy Chairman of the Oman Business Council, a member of its founding Directors, a former Director of Oman International Development and Investment Company SAOG (OMNIVEST) and was also a Director of the Capital Market Authority.</p>	Bachelor Degree in Business Administration "University of Colorado" USA	8
11	Mr. Ziad Abdulla Galadari	Non-Executive Independent	<p>Mr. Galadari is the Founder & Chairman of Galadari Advocates & Legal Consultants. He is also the Chairman of Galadari Investments Group, Chairman of the Higher Organizing Committee for Dubai International Arabian Horse Championship, Board Member of the Emirates Equestrian Federation and Chairman of the Jebel Ali Racecourse Council.</p> <p>In addition to this, he is also a Board Member of Dubai World Trade Centre and a Board Member of Emirates Integrated Telecommunications Company PJSC (DU).</p>	Bachelors of Laws (LLB) "UAE University"	8
12	Mr. Rashid Saif Al-Jarwan	Executive Non-Independent	<p>Mr. Al-Jarwan is the Executive Director of the Board of Dana Gas. He was acting CEO of Dana Gas for one year and the General Manager for 3 years.</p> <p>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. He served on the Board of National Petroleum Construction Co., National Drilling Co., FERTIL in Abu Dhabi and Sharjah Industrial Development Co.</p>	Bachelor Degree in Petroleum & Natural Gas Engineering "Pennsylvania State University" USA	5

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 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 companies in Canada and around the world.	B.Sc. in Petroleum Engineering "Cairo University" Several post-graduate accreditations at various universities in North America	6
14	Mr. Abdullah Ali Al-Majdouie	Non-Executive Independent	Mr. Al-Majdouie is the Group President and Vice Chairman of Almajdouie Group since 1986. He also holds Chairmanship of several companies in Saudi Arabia, Bahrain and UAE. He serves on the Board of the Asharqia Chamber and other business councils. In addition, he is a Counseling Member at Tharawat in Dubai and a member of several social and charitable institutions in Saudi Arabia.	Bachelors and Master Degree in Science College of Industrial Management, King Fahd University for Petroleum & Mineral (KFUPM), KSA	4
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 Degree in Business & Public Administration "New York University" USA	4
16	Mr. Ahmed Mohammed Al-Midfa	Non-Executive Independent	Mr. Al-Midfa is the Chairman of Sharjah Chamber of Commerce & Industry, and Expo Centre Sharjah. In addition, he serves as Chairman of Ruwad Establishment in Sharjah and Third Vice President of the Germany Arab Chamber of Commerce, and also Chairman of International Association of Exposition Management Arabian Gulf Chapter.	Bachelor Degree in Business Administration "Cairo University" Egypt	1

			<p>He is a Former Director of the Bureau of HH the Ruler of Sharjah and Director General of Sharjah Ports and Customs Department and Second Deputy Chairman of the Federal National Council.</p> <p>In addition, he serves on the Board of various Chambers of Commerce and Business Councils.</p>		
17	Mr. Salah Abdul Hadi Al-Qahtani	Non-Executive Independent	<p>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.</p> <p>He serves on the Board of several companies.</p>	Bachelors Degree in Business Administration "Houston University" USA	1

C. 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 -Chairman, Almoayed Wilhelmsen Ltd., Bahrain -Vice-Chairman, A.K. Almoayed Group, Bahrain -Board Member, Kimberly Clark Holdings Company -Founding Chairman & Managing Director, Gulf Petro-Chemical Industries Co. -Former First Deputy Chairman, Bahrain Telecommunications Co. (BATELCO) and Executive Committee Member -Fellow of the Institution of Engineering and Technology, UK
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 National Oil Company -Chairman, Sharjah Pipeline Company (Anabeeb) -Chairman, Sharjah Commerce and Tourism Development Authority -Chairman, Sharjah Media Corporation -Chairman of the Medical Waste Co. (WEKAYA) LLC -Chairman, Basma Group -Chairman, Green Plant LLC -Deputy Chairman, Sharjah Petroleum Council -Deputy Chairman, Sharjah LPG Co. -Deputy Chairman, Sharjah Equestrian & Racing Club -Member of Sharjah Executive Council
5	Mr. Abdulaziz Hamad Al-Jomaih	<ul style="list-style-type: none"> -Managing Director, International Investments of Aljomaih Group, KSA -Vice-Chairman, Arcapita Bank, Bahrain -Managing Director, Pergola Holding & its subsidiaries -Board Member, Etihad Etisalat Company, KSA -Board Member, Pearl Initiative (A United Nations Initiative), UAE
6	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
7	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
8	Mr. Majid Hamid Jafar	<ul style="list-style-type: none"> -CEO, Crescent Petroleum, UAE -Vice-Chairman, Crescent Group of companies -Board Member, Arab Forum for Environment and Development (AFED) -Board Member, Sharjah Chamber of Commerce -Board Member, Sharjah Expo -Board Member, Carnegie Middle East Center -Board Member, Iraq Energy Institute -Board Member, the New Leaders of International Institute of Education (IIE)
9	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)
10	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
11	Mr. Ziad Abdulla Galadari	<ul style="list-style-type: none"> -Founder & Chairman, Galadari Advocates & Legal Consultants, UAE -Chairman, Galadari Investments Group, UAE -Chairman, Dubai International Arabian Horse Championship -Board Member, Emirates Equestrian Federation & Chairman of Jebel Ali Racecourse Council -Board Member, Dubai World Trade Centre -Board Member, Emirates Integrated Telecommunications Company (DU)

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) - 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"> -Group President & Vice Chairman, Almajdouie Group, KSA -Chairman, Almajdouie PSC Heavy Lift Co., Bahrain -Chairman, Almajdouie De Rijke Logistic Co. -Chairman, Rabigh Petrochemical Logistic LLC -Chairman, Star Marines Services, Dubai -Board Member, Asharqia Chamber -Board Member, Dhahran International Exhibitions Co. -Board Member, Arbah Capital Investment Co. -Board Member, Prince Mohammed Bin Fahd University, KSA -Board Member, Al Baha Tourism Council -Counseling Member, Tharawat, Dubai -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, UAE -Chairman, Aswaq Management & Services, UAE -Managing Director, Abu Dhabi Trade Center -Board Member, Abu Dhabi Council for Economic Development
16	Mr. Ahmed Mohammed Al-Midfa	<ul style="list-style-type: none"> -Chairman, Sharjah Chamber of Commerce & Industry -Chairman, Expo Centre Sharjah -Chairman, International Association of Exposition Management (IAEM) Arabian Gulf Chapter -Chairman, Ruwad Establishment at Sharjah -Board Member, UAE Federation of Chambers of Commerce and Industry -Board Member, the Joint Portuguese-Arab Chamber of Commerce -Board Member, Germany-Arab Chamber of Commerce -Board Member, National US-Arab Chamber of Commerce -Board Member, Egyptian-UAE Business Council -Board Member, Oman-UAE Business Council -Board Member, Tunisian-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 -Founder and Director, United Gas Technology Company Ltd. -Board Member, Evolvence 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

D. Directors' Remuneration

The Remuneration and Nominations Committee proposes the annual Directors' remuneration, and if endorsed by the Board of Directors, the proposal will be submitted to the General Assembly for approval in accordance with the Company's Articles of Association, Article (33) of which provides that the Company may pay Directors a fixed annual remuneration, or an additional fee or compensation to any member as determined by the Board and approved by the Annual General Assembly. The Company is Exempt Company in accordance with the provisions of Federal Law No. 15/1998 Relating to Oil & Gas Companies, and accordingly the Directors may be granted remuneration even though no dividends was distributed to Shareholders. UAE non-resident Directors get a meeting attendance allowance of AED 15,000 to cover their travel, accommodation and other expenses. The allowance is not granted in case of non-attendance. 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 2012:

The following table shows the total remuneration of Directors for the financial year 2012, which was approved by the Annual General Assembly in April 2013.

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
Sheikha Hanadi Nasser Al-Thani	500,000
Mr. Adib Al-Zamil	166,700
Mr. Abdulaziz Al-Jomaih	500,000
Mr. Ahmed Al-Arbeed	166,700
Mr. Khalid Al-Rajhi	500,000
Mr. Majid Jafar	500,000
Mr. Varouj Nerguizian	500,000
Mr. Rashad Al-Zubair	500,000
Mr. Ziad Galadari	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	291,700
Mr. Salah Al-Qahtani	291,700
Total	8,417,000

2. Proposed remuneration of the Board of Directors for the Year 2013:

The Board of Directors has approved in its meeting held on 5 March, 2014 the recommendation presented to it by the Remuneration & Nominations Committee that the Directors' remuneration for the year 2013 be similar to the previous year 2012 (as shown in the table above). The Annual General Assembly has approved the Board of Directors' remuneration for 2013 on 23 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. Abdulaziz Al-Jomaih	500,000
Mr. Ahmed Al-Arbeed	500,000
Mr. Khalid Al-Rajhi	500,000
Mr. Majid Jafar	500,000
Mr. Varouj Nerguizian	500,000
Mr. Rashad Al-Zubair	500,000
Mr. Ziad Galadari	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

3. Remuneration for Committees' Meetings and Attendance for the Year 2013:

Committees' attendance remuneration for 2013 was presented to the General Assembly Meeting in April 2014. 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.

The table below shows the committees' remuneration for 2013 that has been approved by the General Assembly Meeting on 23 April 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. Abdulaziz Al-Jomaih		75,000		75,000
Mr. Ahmed Al-Arbeed				-
Mr. Khalid Al-Rajhi				-
Mr. Majid Jafar		75,000	75,000	150,000
Mr. Varouj Nerguizian		100,000	75,000	175,000
Mr. Rashad Al-Zubair	75,000			75,000
Mr. Ziad Galadari	100,000		75,000	175,000
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
Total	475,000	400,000	400,000	1,275,000

E. Directors' Attendance of Board of Directors' 2013 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 2013, 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 all the Board of Directors.

Board of Directors' Meetings during 2013						
Board Members	9 January	13 March	23 April	23 July	25 Sept.	27-28 Nov.
Dr. Adel Al-Sabeeh, Chairman	✓	✓	✓	✓	✓	✓
Dr. Tawfeeq Almoayed, Vice Chairman	✓	✓	✓	✓	✓	✓
Mr. Hamid Jafar	✓	x	✓	✓	✓	✓
HE Sheikh Sultan Bin Ahmed Al-Qasimi	x	✓	x	x	x	x
Sheikha Hanadi Nasser Al Thani	Concall	N/A	N/A	N/A	N/A	N/A
Mr. Abdulaziz Al-Jomaih	x	✓	✓	x	✓	✓
Mr. Ahmed Al-Arbeed	✓	✓	x	✓	✓	✓
Mr. Khalid Al-Rajhi	Concall	✓	x	x	✓	x
Mr. Majid Jafar	✓	✓	✓	✓	✓	✓
Mr. Varouj Nerguizian	x	✓	✓	✓	✓	✓
Mr. Rashad Al-Zubair	x	x	✓	x	x	x
Mr. Ziad Galadari	✓	x	✓	✓	✓	✓
Mr. Rashid Al-Jarwan	✓	✓	✓	✓	✓	✓
Mr. Said Arrata	✓	✓	x	x	x	✓
Mr. Abdullah Al-Majdouie	✓	✓	x	x	✓	✓
Mr. Nasser Al-Nowais	✓	✓	✓	x	✓	✓
Mr. Ahmed Al-Midfa	✓	✓	✓	✓	x	✓
Mr. Salah Al-Qahtani	x	✓	x	x	✓	✓

(✓) Attend

(x) Absent

(N/A) Not Applicable

F. Responsibilities and Authority of the Executive Management

The Board of Directors has delegated the Company's Executive Management the following functions and responsibilities:

1. To manage the day to day affairs and business of the Company and to implement the plans and execute the policies laid down by the Board of Directors for achieving the 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 actions taken to manage risks;
4. To provide the Board of Directors, on a timely basis, with all 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.

G. 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>2013</u>		<u>2012</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>

H. 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 2013.

Name	Job Title	Date of Appointment	Total remuneration for 2013 (Salary + Allowances) excluding expenses claims (AED)	Total Bonuses Paid in 2013 (AED)
Dr. Patrick Allman-Ward	Chief Executive Officer (previously GM of Dana Gas Egypt)	Sept. 2013	1,653,030	223,830
Mr. Rashid S. Al-Jarwan	Executive Director	April 2009	1,811,466	910,140

4. External Auditors

a. Brief Summary on External Auditors

The Company's external auditors, Ernst & Young, is one of the top four audit firms in the world with a network of 167,000 in more than 150 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. Ernst & Young 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 eight years.

In April 23rd, 2013 the Annual General Assembly re-appointed Ernst & Young as external auditors for the Company's financial accounts for the year 2014. No other external auditor other than the Company's auditor provided any other services during the fiscal year 2013. Their audit fees for the annual Financial Statements for 2013 amounts to AED 350,000 as approved by AGM. The external auditors' fees are disclosed in the Company's Annual Financial Statements.

Name of External Auditors	Ernst & Young
Years of appointment	8 years
Total fees for 2013 (AED)	AED 614,364
Fees for other services beside auditing Financial Statements (AED)	None
Other services	None

5. 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 administration matters. A majority of the Members of the Committee are Independent Directors.

The Audit and Compliance Committee assists the Board of Directors in performing its functions of supervision and control of the finances of the Company and ensuring compliance with applicable 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 the procedure for preparation of financial reports;
2. Reviewing the annual and quarterly financial statements;
3. Overseeing 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 2013:

Members of the A&C Committee	Dates of meetings						
	8 Jan.	31 Jan.	12 March	12 May	1 Aug.	24 Sept.	23 Oct.
Mr. Varouj Nerguizian, Chair	✓	✓	✓	✓	Concall	✓	✓
Mr. Majid Jafar	✓	Concall	X	Proxy	Concall	✓	Concall
Mr. Abdulaziz Al-Jomaih	X	Concall	Proxy	Concall	Proxy	X	Concall
Mr. Nasser Al-Nowais	Proxy	Proxy	Concall	X	Concall	Concall	X
Mr. Salah Al-Qahtani	X	X	X	X	Proxy	X	Concall

(✓) Attend

(x) Absent

6. 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 as provided by the Ministerial Resolution No. 518/2009.

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.

b. The table below shows the number and dates of meetings held by CGR&N Committee during 2013:

Members of the CGR&N Committee	Dates of meetings				
	8 Jan.	12 March	2 July	24 Sept.	26 Nov.
Mr. Ziad Galadari, Chair	✓	x	✓	✓	✓
Mr. Hamid Jafar	N/A	x	✓	✓	x
Mr. Said Arrata	✓	✓	x	✓	✓
Mr. Rashad Al-Zubair	x	x	x	x	x
Mr. Abdulla Al-Majdouie	✓	✓	x	x	Concall
Mr. Ahmed Al-Midfa	✓	✓	✓	x	✓

(✓) Attend

(x) Absent

(N/A) Not Applicable

7. 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 Internal Control Manager adopts the appropriate procedures to ensure the implementation of the directives of the Board of Directors in this regard. He raises any irregularities of the control system or

Company's regulations and its policies and the Board's directives to the Board of Directors to take the 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.

- c. The Internal Control Manager prepares an annual audit plan and submits it to the Board of Directors for approval as deemed appropriate. The plan involves the comprehensive assessment of the risks facing the Company to address them properly and effectively.

The annual plan includes a list of the work and activities of the Department during the year including audit work. It also includes a specific oversight work scope with its timeline.

The Internal Control Manager, Mr. Muhammed Ali Baig, was appointed in December 2010. He has 22 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.

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.

e. **Handling Major Incidents:**

The Internal Control Manager reports all major issues with respect to internal control deficiencies identified during its review and audit to Dana Gas Board of Directors, whilst 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 2013, no major issues were identified that could require a disclosure in the annual financial reports for the year.

8. Compliance during 2013

The Company did not commit any regulatory violations during the fiscal year 2013 and consequently no fines or penalties were imposed on the Company.

9. Corporate contributions towards community and environment

Dana Gas' corporate social responsibility activities cover the countries and communities in which the company operates. Our objective has been to play an active role in 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.

The table below shows some of the Company's social contributions during the year 2013:

The Company's Corporate Social Responsibility Initiatives in 2013		
Institution	Purpose	Activity
UAE		
University of Sharjah	Educational	Dana Gas Excellence Award to the top 30 high performing seniors who have graduated with honors.
Kalemati Speech & Communication Center	Educational	Supported the purchase of specialised equipment for the hearing and speaking challenged individuals in the UAE.
Egypt		
Ministry of Health and Population	Medical	Renovated the health centers and provided medical equipment in Dakahlia (near the West El Manzala concession area) and at Sharqia located near the west El-Qantarrah concession.
Ministry of Education, Om El Reda Community Development Association and El Haja Rateeba Local Development Institution	Educational	Renovated and provided teaching aids to 2 schools in the Sharqia village.
El Haja Rateeba Local Development Institution at Haja Rateeba Village	Social	Supported the local communities in the West El Manzala area in self-employment schemes through creation of physical assets and training.
Egyptian Junior Businessmen Association	Training	Provided training and career development programs for skills up-gradation to support young entrepreneurs in the Egyptian public universities.

<i>Iraq</i>		
Chemchemical Mayoralty	Health	Provided the maternity hospital with healthcare equipment and laboratory for servicing the local community.
Qadir Karam and Chemchemical Town Administration	Educational	<p>Renovated schools and provided school supplies including stationary in 5 elementary schools in Qadir Karam.</p> <p>Providing nurseries with school and other supplies in Chemchemical and in Qarachwar village.</p> <p>Awarded 10 scholarships for an MBA program at the American University of Iraq, Sulaimania.</p> <p>Provided transportation for 100 students and teachers from 16 villages and sub-districts to the primary and intermediate schools in Qadir Karam.</p> <p>Provided a graphic press machine to the Institute of Fine Arts in Chemchemical.</p>
Qadir Karam and Chemchemical Towns Administration	Health	<p>Supplying potable water to 21 villages in Qadir Karam during summer.</p> <p>Drilled two water wells in two remote villages to provide potable water in Chemchemical, Shores and Qadir Karam as part of the Drought Program.</p> <p>Provided clean water source and irrigation canals in 18 villages in Qadir Karam.</p> <p>Provided a chlorine water purification system in the Shwan area.</p>
Qadir Karam and Chemchemical Towns	Community	<p>Provided electric supply in the Qadir Karam township and neighboring villages.</p> <p>Donated 250 KVA and 400 KVA power generators to Qadir Karam township and Sangaw District.</p> <p>Participated in a tree planting campaign of 4 km along the side roads connecting Chemchemical to Qadir Karam.</p>

	Orphan Sponsorship program; sponsoring 1000 orphans in Kurdistan in association with Barzani Charity Foundation.
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10. General Information

- a. Schedule of share price in the market at the end of each month of the fiscal year of 2013

Date	Month-End	High	Low
31 January	0.49	0.50	0.48
28 February	0.51	0.51	0.50
31 March	0.45	0.46	0.45
30 April	0.50	0.50	0.49
31 May	0.60	0.60	0.58
30 June	0.54	0.55	0.53
31 July	0.63	0.64	0.62
29 August	0.57	0.58	0.56
30 September	0.69	0.71	0.68
31 October	0.65	0.66	0.64
30 November	0.61	0.64	0.61
31 December	0.91	0.96	0.91

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

Date	DG Price	ADX Index	Energy Index
1 January	0.48	2678.22	1394.38
1 February	0.49	2880.87	1429.45
1 March	0.50	3036.64	1413.82
1 April	0.46	3008.09	1364.82
1 May	0.50	3273.50	1393.53
1 June	0.61	3589.87	1576.44
1 July	0.56	3610.22	1477.80
1 August	0.64	3922.51	1588.78
1 September	0.59	3802.22	1498.44
1 October	0.70	3837.37	1694.22
1 November	0.66	3845.26	1633.79
1 December	0.61	3896.15	1548.37

c. Statement of Shareholders' ownership as of 31/12/2013

Type	UAE	GCC	Arab	Others
Individuals	1,410,640,036	1,104,625,789	263,743,284	153,357,871
Companies	950,158,084	777,051,903	9,462,667	1,858,242,330
Governments	32,644,336	42,075,000	-	-
TOTAL	2,393,442,456	1,923,752,692	273,205,951	2,011,600,201

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


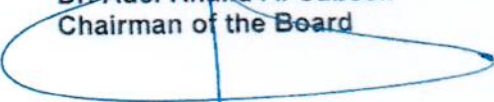
Citizenship	Investor Name	Quantity	%
GBR	Crescent Petroleum Co. Ltd.	1,328,108,236	20.12%

e. Major events executed by the Company during 2013

1. On 8 May 2013, the Company refinanced its US\$ 1,000,000,000 existing Sukuk certificates issued on October 2007 by the issuance of two tranches of Sukuk consisting of US\$ 425 million Ordinary Sukuk and US\$ 425 million exchangeable Sukuk.
2. On 21 October 2013, Dana Gas, along with Crescent Petroleum and Pearl Petroleum (which holds petroleum rights in the Kurdistan Region of Iraq), commenced arbitration proceedings at the London Court of International Arbitration (LCIA), in accordance with an agreement with the Kurdistan Regional Government of Iraq (KRG) which was signed in April 2007 and is governed by English Law.
3. On 31 October 2013, conversion period for convertible Sukuk issued on 8 May 2013 commenced, which will expire 25 trading days prior to 31 October 2017. During this period, Sukuk holders have the right to convert all or part of the convertible Sukuk into ordinary shares of the Company.

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

9th April, 2014