



## **Corporate Governance Annual Report 2015**

### **1. Dana Gas: Pioneering Corporate Governance**

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 private sector corporation aspiring to be a leading oil and gas company in the Middle East. The first step was taken in April 2006 a few months after the incorporation of the Company. Corporate governance being a priority to Dana Gas, the Company commissioned the International Finance Corporation (IFC) (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 milestone came 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 governance standards. At the level of the Board of Directors, the Corporate Governance Committee and the Audit Committee oversee and supervise compliance with applicable governance regulations. The Corporate Governance Committee presents reports on corporate governance matters periodically to the Board of Directors. Further, at the management level the Head of Internal Control and Audit and the Company's Compliance Officer oversee adherence to corporate governance standards by employees, divisions, subsidiaries and counterparties.

In 2010 the IFC published a report on "Corporate Governance Success Stories", demonstrating the business case for good corporate governance in MENA. It shared the experience of 11 companies that have made governance improvements and the impact they made. According to the IFC, the impact scorecard for Dana Gas was substantial access to capital (\$1.5 billion in debt over 24 months); substantial reputation enhancement; substantial sustainability and substantial board effectiveness and management control.

In September 2012, the Company was given an award in recognition of its leading good corporate practices by the Securities and Commodities Authority.

The efforts of the Board of Directors and executive management of Dana Gas to achieve the Company's strategy in realizing sustained growth and long term value for Shareholders is predicated on a firm commitment to corporate governance standards and practices, compliance with which is considered instrumental in ensuring transparency, effective



control and high performance necessary to translate the Company's strategies and plans into viable business ventures and projects, and, ultimately, into value to the Shareholders, whilst at the same time serving the interests of its other stakeholders.

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

With respect to the matter of insider dealings, and in furtherance of Dana Gas' goal to ensure transparency, the Company adopted in June 2011 the Rules Governing Dealings by Directors and Employees in the Securities of the Company (the "Rules").

The Rules comprise relevant provisions in the regulations issued by the Securities and Commodities Authority and Abu Dhabi Stock Exchange which reflects international best practice.

The Rules define the periods during which Directors and Employees are not permitted to deal in the Company's Securities. No Director or employee had traded in the Securities of the Company during ban periods set out in the Rules or the Securities and Commodities Authority Resolution No. 2/2001.

Only one Director traded in the Securities of the Company during the year 2015.

Board Member	Investor No.	Exchange Type	Quantity	Date
Dr. Patrick Allman-Ward	GBR000761218408	Buying	355,000	11/05/2015
		Buying	560,000	15/06/2015
		Buying	280,000	17/09/2015

## **3. The Board of Directors**

### **Powers of the Board of Directors:**

Pursuant to the Company's Articles of Association the management of the Company vests in its Board of Directors, which exercises all the powers necessary for the management of the affairs of Company and for accomplishing its objects.

### **Responsibilities of the Board of Directors:**

The responsibilities of the Board of Directors include:

1. Formulating and approving the Company's strategy and business plans;
2. Approval of the annual budget and the allocation of resources;
3. Setting investment priorities and approving business opportunities;



4. Entering into contracts with any person, authority or corporation in the gas and oil business;
5. Overseeing the accuracy of the financial statements and financial reporting and the effectiveness of internal control;
6. Assessment of executive management performance;
7. Establishing the responsibility and accountability matrix with appropriate powers;
8. Laying down bye-laws and regulations, policies and procedures in connection with the Company's administration, financial matters and personnel affairs;
9. Appointment and succession of senior executives;
10. Concluding loan agreements;
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 approving settlement of disputes.

#### **The Role of the Chairman of the Board:**

The Chairman (as a non-executive) presides over the meetings of the Board of Directors, ensures effectiveness of its deliberations and availability of the information necessary to enable Directors to discharge their duties.

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

1. Approving the agenda of the meetings of the Board of Directors taking into consideration matters proposed by other Directors;
2. Ensuring the effective and smooth functioning of the Board including timely discussion of important business presented to the Board;
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 facilities for efficient participation by the Directors particularly Non-Executive Directors, and to promote good working relationship between Executive and Non-Executive Directors, and;
5. Taking appropriate measures to secure regular interaction with Shareholders and prompt communication of their views to the Board of Directors.

#### **A. Composition of the Board of Directors**

The Board is elected by the General Assembly every 3 years. Subsequent to the April 2015 AGM the number of Board of Directors was 18 members and reduced to 12 members during 2015. Ten of the incumbent Directors, most of whom have been on the Board since the incorporation of the Company in November 2005, were re-elected in April 2015. Two entirely new members were also elected to the Board at this time. The Board of Directors continues to be comprised of leading businessmen from the GCC countries, and others with considerable experience in the oil and gas business.



Currently out of the 12 members of the Board, 7 are Independent Directors, 4 Non-Executive Directors and 1 Executive Director.

The current Directors are:

S. N.	Directors	Category	Experience	Qualifications	Years of membership since first Date of election
1	Mr. Hamid Dhiya Jafar, Chairman	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 promoted important projects in higher education at Cambridge University. He is also an active supporter of many charities.	Master's Degree in Engineering (Thermodynamics and Fluid Flow) "Cambridge University" UK	10
2	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	7
3	HE Sheikh Sultan Bin Ahmed Al-Qasimi	Non-Executive Non-Independent	HE Sheikh Al-Qasimi is the Deputy Chairman of the Sharjah Petroleum Council and Chairman of Sharjah Media Corporation.  HE Sheikh Al-Qasimi has key achievements in the media sector including establishing Al Majaz Amphitheatre and Al Sharqiya TV and establishing Sharjah24.ae.  He held the position of Deputy Chairman of Sharjah Equestrian	B.Sc. in Business Administration "Arkansas State University", USA  Master's in Computer Information Systems "University of Detroit Mercy" USA	10



			and Racing Club, Chairman of Sharjah Commerce and Tourism Development Authority and contributed to the inauguration of Sharjah Light Festival.		
4	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	10
5	Mr. Said Youssef Arrata	Non-Executive Non-Independent	Mr. Arrata is the CEO and Chairman of Delta Oil and Gas in the United Kingdom. He is a former 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 companies in Canada and around the world.	B.Sc. in Petroleum Engineering "Cairo University"  Several post-graduate accreditations at various universities in North America	8
6	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 with 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	6



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 &amp; 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 &amp; Production and Gas &amp; 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 &amp; African Studies</p> <p>MBA (with distinction) from "Harvard Business School" USA</p>	10
8	Mr. Ziad Abdulla Galadari	Non-Executive Independent	<p>Mr. Ziad Abdulla Galadari is the Founder and Chairman of Galadari Advocates &amp; 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 Committee for Dubai's International Arabian Horse Championship and Chairman of Jebel Ali Racecourse Council.</p>	<p>Bachelor's of Laws (LLB) "UAE University"</p>	10
9	Mr. Nasser Mohamed Al-Nowais	Non-Executive Independent	<p>Mr. Al-Nowais is the Chairman of Rotana Hotel Management Corp. Ltd. and Aswaq Management &amp; Services. In addition, he is the Managing Director of Abu Dhabi Trade Center.</p> <p>He served as Former Under-Secretary of UAE Ministry of Finance, and a Former Chairman of Arab Insurance Group.</p>	<p>Bachelor's Degree in Business &amp; Public Administration "New York University" USA</p>	6



10	Mr. Hani Hussain	Non-Executive Independent	Mr. Hani Hussain has been the Chief Executive Officer of Kuwait Petroleum Corporation from 2004-2007. He served also as Oil Minister in Kuwait before retiring in 2013. He also held various executive positions in several oil and petrochemical companies in Kuwait. In addition, he served on the board of several companies in Kuwait and overseas. Currently he serves on the Board of Dana Gas PJSC. Mr. Hussain is a member of the Council of the Graduate School of Kuwait University.	Bachelor's Degree in Chemical Engineering "University of Tulsa" USA	9 months
11	Mrs. Fatima Obaid Al Jaber	Non-Executive Independent	Fatima Al Jaber is a prominent leader in the GCC area construction industry and is currently a member of the Board of Directors of the Al Jaber Group and former Group Chief Operating Officer for the years (2007 – 2014). Prior to this Fatima worked with the Abu Dhabi Government in various technical and managerial positions, including her role as Assistant Undersecretary for Projects & Technical Services at Abu Dhabi Public Works Department and Abu Dhabi Municipality. Concerned with how women operate in the economic fields, Mrs. Fatima founded Al Bashayer Investment Company, as a wealth management service provider for female investors and acts as the Chairman of this Company.	Bachelor's Degree in Architecture "United Arab Emirates University"	9 months
12	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.  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 Upstream oil and gas.	Bachelor's Degree in Geology "Durham University", UK  Master's Degree in Mineral Exploration & Mining Geology "Leicester University" UK  PhD Degree Mining Geology "Imperial College, University of London", UK	2



## B. Board Membership in other companies

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

SN	Directors	Directorship in other companies
1	Mr. Hamid Dhiya Jafar, Chairman	<ul style="list-style-type: none"> <li>-Chairman, Crescent Group of companies</li> <li>-Chairman, Gulfainer Ltd.</li> <li>-Founding Shareholder, URUK Group</li> <li>-Founding Shareholder, Abraaj Capital</li> <li>-Founder, UAE Chapters of the Young Presidents Organization and the World Presidents Organization</li> <li>-Member, International Chief Executives Organization</li> <li>-Member of the Board of Trustees, American University of Sharjah</li> </ul>
2	Mr. Rashid Saif Al-Jarwan, Vice Chairman	<ul style="list-style-type: none"> <li>- Board Member, Emirates General Petroleum Corporation (EMARAT) &amp; EMOIL</li> <li>- Board Member, Oman Insurance Company</li> <li>- Board Member, Dubai International Financial Centre (DIFC)</li> <li>- Board Member, Mashreq Bank</li> <li>- Board Member, Al Ghurair Holding Ltd</li> </ul>
3	HE Sheikh Sultan Bin Ahmed Al-Qasimi	<ul style="list-style-type: none"> <li>-Deputy Chairman, Sharjah Petroleum Council</li> <li>-Chairman, Sharjah Media Corporation</li> <li>-Chairman, Tilal Properties</li> <li>-Chairman, Sharjah General Services Company "Khadamat"</li> <li>-Chairman, Sharjah Pipeline Company (Anabeeb)</li> <li>-Chairman, Sharjah National Oil Company</li> <li>-Chairman, Green Planet LLC</li> <li>-Chairman, Medical Waste Co. (WEKAYA) LLC</li> <li>-Chairman, Basma Group</li> <li>-Chairman, Sharjah Media Centre</li> </ul>
4	Mr. Varouj Abraham Nerguizian	<ul style="list-style-type: none"> <li>-Executive Director and General Manager, Bank of Sharjah</li> <li>-Chairman and General Manager, Emirates Lebanon Bank SAL, Lebanon</li> <li>-Board Member, Growthgate PEF</li> <li>-Founding Member and Chairman, Lebanese Educational Fund SA</li> <li>-Founding Member and Chairman, Lycee' Libanais Francophone Prive', Dubai (non-profit educational institution)</li> </ul>
5	Mr. Said Youssef Arrata	<ul style="list-style-type: none"> <li>-Chairman, Delta Oil and Gas, UK</li> <li>-Board Member, Deep Well Oil and Gas Incorporation, Canada</li> </ul>
6	Mr. Abdullah Ali Al-Majdouie	<ul style="list-style-type: none"> <li>-Chairman, Almajdouie De Rijke Logistic Co., KSA</li> <li>-Chairman, Star Marines Services, Dubai</li> <li>-Chairman, Arab Union of Land Transport, Jordan</li> <li>-Chairman, Petrology LLC, Bahrain</li> <li>-Board Member, Saudi Commission for Tourism and National Heritage</li> </ul>



		<ul style="list-style-type: none"> <li>-Board Member, United Electronics Co. (eXtra)</li> <li>-Board Member, Dhahran International Exhibitions Co.</li> <li>-Board Member, Prince Mohammed Bin Fahd University, KSA</li> <li>-Board Member, Al Baha Tourism Council</li> <li>-Board Member, Al Ahsa Development Co.</li> <li>-Counseling Member, Tharawat, Dubai</li> <li>-Board Member of several social and charitable institutions</li> </ul>
7	Mr. Majid Hamid Jafar, Board Managing Director	<ul style="list-style-type: none"> <li>-CEO, Crescent Petroleum Company, UAE</li> <li>-Vice Chairman, Crescent Group of companies</li> <li>-Board Member, Arab Forum for Environment and Development (AFED)</li> <li>-Board Member, Carnegie Middle East Center</li> <li>-Board Member, Iraq Energy Institute</li> <li>-Board Member, Queen Rania Foundation (QRF)</li> <li>-Board Member, Higher Colleges of Technology (HCT)</li> <li>-Active Member, the International Institute for Strategic Studies (IISS)</li> </ul>
8	Mr. Ziad Abdulla Galadari	<ul style="list-style-type: none"> <li>-Founder &amp; Chairman, Galadari Advocates &amp; Legal Consultants, UAE</li> <li>-Chairman, Galadari Investments Group, UAE</li> <li>-Board Member, Dubai World Trade Centre</li> <li>-Board Member, Emirates Integrated Telecommunications Company (DU)</li> <li>-Chairman, Dubai International Arabian Horse Championship</li> <li>-Chairman of Jebel Ali Racecourse Council</li> </ul>
9	Mr. Nasser Mohamed Al-Nowais	<ul style="list-style-type: none"> <li>-Chairman, Rotana Hotel Management Corp Ltd. PJSC, UAE</li> <li>-Chairman, Aswaq Management &amp; Services LLC, UAE</li> <li>-Managing Director, Abu Dhabi Trade Center</li> </ul>
10	Mr. Hani Abdulaziz Hussain	<ul style="list-style-type: none"> <li>-Board Member, Advanced Petrochemical Company, KSA</li> <li>-Board Member, Kuwait Foundation for the Advancement of Science</li> </ul>
11	Mrs. Fatima Obaid Al Jaber	<ul style="list-style-type: none"> <li>-Board Member &amp; Head of Projects Committee – Al Jaber Group</li> <li>-Chairperson – Al Bashayer Investment Company</li> <li>-Board Member &amp; Managing Director – Qaryat Al Beri Resort Development Co. LLC</li> <li>-Board Member – The National Investor PJSC</li> <li>-Board Member – Arabian Gulf State Institute – Washington, DC (AGSIW).</li> <li>-Chapter Chair – Woman Corporate Director GCC Chapter</li> <li>-Board Member - The Future Centre for Special Needs</li> </ul>
12	Dr. Patrick Allman-Ward	<ul style="list-style-type: none"> <li>-Board Member, Allman-Ward Ltd, UK</li> <li>-Board Member, IGZACT FZE, UAE</li> <li>-Board Member, Comme Je Fus B.V., NL</li> </ul>



## B. Female Representation in the Board of Directors

The Board of Directors consists of 12 members, with Mrs. Fatima Obaid Al Jaber, Chief Operating Officer at Al Jaber Group and CEO of the Group in Abu Dhabi, as the only female member.

## C. Directors' Remuneration

### 1. Directors Annual Remuneration for 2014:

No Directors annual remuneration was awarded for 2014.

### 2. Directors Proposed Annual Remuneration for 2015:

The Board of Directors has approved in its meeting held on 24 February 2016 the recommendation presented to it by the Remuneration & Nominations Committee that the total Directors' remuneration for the year 2015 be AED 8 million. The proposed Directors remuneration will be submitted to the Annual General Assembly on 28 April 2016 for consideration and approval.

### 3. Board and Committees Attendance Allowances for the Year 2015:

Committees' membership allowances are disclosed in the Company's financial statements. AED 100,000 is paid to each Committee Chair and AED 75,000 is paid to each Committee Member.

Only UAE non-resident Directors get attendance allowance of AED 15,000 to cover board, accommodation, transportation and other expenses. The allowance is not granted in case of non-attendance. Directors are also rewarded for other work they carry out for the Company.

The table below shows the Board and Committees Attendance Allowances paid to the Directors during 2015.

Board Member	Board Meetings Allowances	Committee Meetings Allowances
Mr. Hamid D. Jafar, Chairman	-	-
Mr. Rashid Al-Jarwan, Vice Chairman	-	100,000
HE Sheikh Sultan Bin Ahmed Al-Qasimi	-	-
Mr. Varouj Nerguizian	-	175,000
Mr. Said Arrata	75,000	75,000
Mr. Abdullah Al-Majdouie	75,000	175,000
Mr. Majid Jafar, Board Managing Director	-	150,000
Mr. Ziad Galadari	-	-
Mr. Nasser Al Nowais	-	75,000
Mr. Hani Hussain (since April 2015)	75,000	75,000



Mrs. Fatima Al-Jaber (since April 2015)	-	150,000
Dr. Patrick Allman-Ward, CEO	-	-
<b>Total</b>	<b>225,000</b>	<b>1,000,000</b>

#### **D. Attendance of Board of Directors Meetings**

According to the Company's Articles of Association, the Board of Directors meets at least once every 3 months. The Board of Directors held seven (7) meetings during the year 2015, which is consistent with best corporate governance standards laid down by the Ministerial Resolution No. (518) of 2009.

The table below shows attendance of Board meetings by the Directors during 2015:

<b>Board of Directors' Meetings during 2015</b>							
<b>Board Members</b>	<b>4 February</b>	<b>26 March</b>	<b>30 April (before AGM meeting)</b>	<b>30 April (after AGM Meeting)</b>	<b>24 June</b>	<b>30 Sept.</b>	<b>26 Nov.</b>
Mr. Hamid Jafar, Chairman	✓	✓	✓	✓	✓	✓	✓
Mr. Rashid Al-Jarwan, Vice Chairman	✓	✓	✓	✓	✓	✓	✓
HE Sheikh Sultan Bin Ahmed Al-Qasimi	X	X	X	X	X	✓	X
Mr. Varouj Nerguizian	✓	✓	✓	✓	✓	✓	✓
Mr. Said Arrata	✓	✓	✓	✓	✓	X	✓
Mr. Abdullah Al-Majdouie	X	✓	✓	✓	✓	✓	✓
Mr. Majid Jafar, Board Managing Director	✓	✓	✓	✓	✓	✓	✓
Mr. Ziad Galadari	✓	✓	✓	✓	Concall	✓	✓
Mr. Nasser Al-Nowais	X	✓	✓	✓	✓	✓	✓
Mr. Hani Hussain (since April 2015)	N/A	N/A	N/A	N/A	✓	✓	✓
Mrs. Fatima Al-Jaber (since April 2015)	N/A	N/A	N/A	N/A	✓	Concall	Concall
Dr. Patrick Allman-Ward, CEO	✓	✓	✓	✓	✓	✓	✓
Dr. Adel Khalid Al-Sabeeh (till April 2015)	X	X	X	N/A	N/A	N/A	N/A
Dr. Tawfeeq Almoayed (till April 2015)	✓	✓	✓	N/A	N/A	N/A	N/A
Mr. Abdulaziz Al-Jomaih (till April 2015)	X	✓	X	N/A	N/A	N/A	N/A
Mr. Ahmed Al-Arbeed (till April 2015)	✓	✓	✓	N/A	N/A	N/A	N/A
Mr. Khalid Al-Rajhi (till April 2015)	Concall	X	X	N/A	N/A	N/A	N/A
Mr. Rashad Al-Zubair (till April 2015)	X	X	X	N/A	N/A	N/A	N/A
Mr. Ahmed Al-Midfa (till April 2015)	✓	X	X	N/A	N/A	N/A	N/A
Mr. Salah Al-Qahtani (April 2015)	✓	✓	X	N/A	N/A	N/A	N/A

(✓) Attend

(x) Absent

(N/A) Not Applicable

(Concall) By Conference Call



### **Delegation of Responsibilities to the Executive Management**

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

1. To implement the strategies, plans and policies laid down by the Board of Directors for achieving Company's objectives;
2. To manage the day to day affairs and business of the Company;
3. To identify, pursue and submit studies and proposals relating to business development and new investment opportunities;
4. 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;
5. To provide the Board of Directors, on a timely basis, with the information and documents required for efficient conduct of Board meetings;
6. 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 and Company regulations.

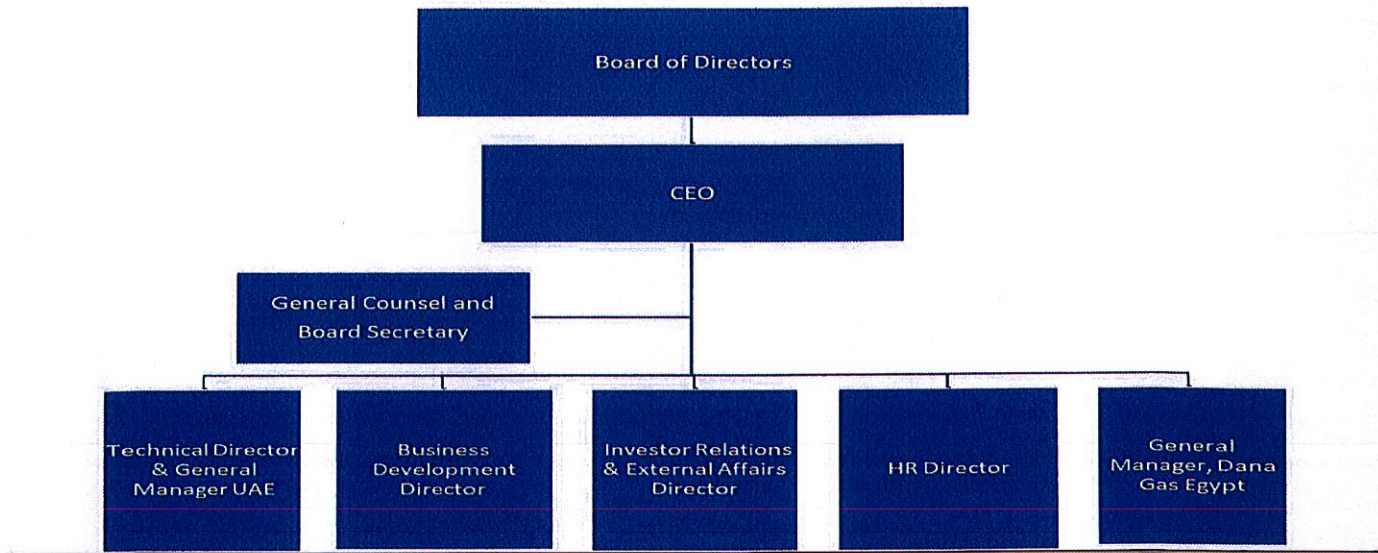
### **E. Details of Related Parties' Transactions**

Related Parties include joint ventures, major shareholders, Directors and Senior Executives management personnel of the Company, their relatives to the first degree, and entities owned, controlled, jointly controlled or significantly influenced by such Parties.

	<b><u>2015</u></b>		<b><u>2014</u></b>	
	<b><u>Revenues</u></b>	<b><u>Fees for Mgmt Svcs</u></b>	<b><u>Revenues</u></b>	<b><u>Fees for Mgmt Svcs</u></b>
	<b><i>USD mm</i></b>	<b><i>USD mm</i></b>	<b><i>USD mm</i></b>	<b><i>USD mm</i></b>
<b>Joint ventures</b>	1	2	1	2
<b>Major Shareholders</b>	-	1	-	1
	<u>1</u>	<u>3</u>	<u>1</u>	<u>3</u>



## F. Organization Chart of the Company



## G. Senior Executives of the Company

The following table shows the Senior Executives of the Company with their designations, appointment dates and total remuneration including bonus paid to them for 2015.

Job Title	Date of Appointment	Total remuneration for 2015 (Salary + Allowances) (AED)	Total Bonuses Paid in 2015 (AED)
Chief Executive Officer	Sept. 2013	2,460,708	1,864,611
General Counsel and Board Secretary	February 2006	1,734,258	778,787
Technical Director and General Manager UAE	September 2015	576,732	-
Business Development Director	March 2014	1,546,583	879,046
Investor Relations & External Affairs Director	April 2013	1,531,015	666,225
HR Director	January 2015 (till October 2015)	1,287,215	-
General Manager, Dana Gas Egypt	October 2013 (till October 2015)	1,923,533	796,696

The Branch Manager in Kurdistan Iraq Region and the General Manager of UGTC and Sajaa are not direct reports to the CEO as they report to the Technical Director and the GM UAE. The title of Business Development Director has been changed to Legal and Commercial Director by beginning of 2016.



### 3. Company's External Auditors

#### a. Ernst & Young

The Company's external auditors, Ernst & Young, is one of the top tier international 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 that period to become one of the big four audit firms 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. Appointment and Fees of External Auditors

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

On April 30<sup>th</sup>, 2015 the Annual General Assembly re-appointed Ernst & Young as external auditors for the Company's financial accounts for the year 2015. Their audit fees for the annual Financial Statements for Dana Gas for 2015 amounts to AED 323,750 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. No other external auditors other than E&Y provided any other services during 2015.

Name of External Auditors	E&Y
Years of appointment	10 years
Total fees for 2015 (AED)	AED 1.2 Million
Fees for other services beside auditing Financial Statements (AED)	None

### 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	Chair-Independent Director
Mr. Majid Jafar	Non-Executive Director
Mr. Nasser Al-Nowais	Independent Director
Mr. Ziad Galadari	Independent Director
Mr. Abdulaziz Al-Jomaih (till April 2015)	Independent Director
Mr. Salah Al-Qahtani (till April 2015)	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. Overseeing the preparation and particulars of the Company's financial statements and financial reporting;
2. Reviewing 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 position;
4. Reviewing risk management and internal control procedures;
5. Recommending appointment and fees of the Company's external auditors;
6. Recommending internal audit plans and necessary audit 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 2015

Members of the A&C Committee	Dates of meetings				
	3 February	25 March	4 May	13 August	11 November
Mr. Varouj Nerguizian, Chair	✓	Concall	Concall	Concall	Concall
Mr. Majid Jafar	X	Concall	Concall	Concall	Concall
Mr. Nasser Al-Nowais	Proxy	Concall	X	X	X
Mr. Ziad Galadari	N/A	N/A	N/A	N/A	X
Mr. Abdulaziz Al-Jomaih (till April 2015)	Concall	Concall	N/A	N/A	N/A
Mr. Salah Al-Qahtani (till April 2015)	Proxy	✓	N/A	N/A	N/A

(✓) Attend

(x) Absent

(N/A) Not Applicable

(Concall) By Conference Call



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

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

<b>Members of the Committee</b>	<b>Title</b>
Mr. Abdulla Al-Majdouie, Chair	Independent Director
Mr. Hani Hussain, (since April 2015)	Independent Director
Mrs. Fatima Al-Jaber (since April 2015)	Independent Director
Mr. Ziad Galadari (till April 2015)	Independent Director
Mr. Hamid Jafar (till April 2015)	Non-Executive Director
Mr. Said Arrata (till April 2015)	Non-Executive Director
Mr. Rashad Al-Zubair (till April 2015)	Independent Director
Mr. Ahmed Al-Midfa (till April 2015)	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 compliance by the governing bodies of the Company; the General Assembly, the Board of Directors and executive management with established corporate governance standards. The Committee assists the Board in relation to the appointment of senior executives, appraisal of management performance, succession planning and remuneration policies. The Committee is responsible for nominations and election to the Board of Directors membership.

To achieve its objectives the Committee carries out the following functions:

1. Proposing remuneration, salary, benefits and incentives policies;
2. Proposing human resources policies aimed at promoting improved performance and a healthier work environment;
3. Recommending appropriate corporate governance standards;
4. Overseeing Board of Directors' procedures and performance;
5. Reviewing non-financial disclosure standards;
6. Reviewing Directors' remuneration and making appropriate recommendations to the Board;
7. Reviewing and approving employees' succession plans;
8. Maintaining good relationships with Shareholders, investors and regulators;
9. Supervising nominations and election 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 2015:

Dates of meetings					
Members of the CGR&N Committee	3 February	25 March	23 June	29 Sept.	24 Nov.
Mr. Abdulla Al-Majdouie, Chair	x	✓	Concall	✓	✓
Mr. Hani Hussain (since April 2015)	N/A	N/A	✓	✓	✓
Mrs. Fatima Al-Jaber (since April 2015)	N/A	N/A	Concall	x	✓
Mr. Ziad Galadari, Chair (till April 2015)	✓	✓	N/A	N/A	N/A
Mr. Hamid Jafar (till April 2015)	✓	x	N/A	N/A	N/A
Mr. Said Arrata (till April 2015)	✓	✓	N/A	N/A	N/A
Mr. Rashad Al-Zubair (till April 2015)	x	x	N/A	N/A	N/A
Mr. Ahmed Al-Midfa (till April 2015)	x	x	N/A	N/A	N/A

(✓) Attend

(x) Absent

(N/A) Not Applicable

(Concall) By Conference Call

## 6. Internal Control

- a. In 2011 The Board of Directors established an Internal Control Department and defined its functions which include:

1. Assessment of the risks facing the Company;
2. Preparing the risks register and updating it quarterly and annually;
3. Preparing audit plans 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 audit plan and submitting periodical reports to the Board of Directors and to the Audit Committee with observations on the actions taken by executive management with respect to them.

### b. Independence of the Internal Control Department:

The Internal Control Department enjoys independence in performing its functions. It reports to the Board of Directors, which is responsible for the efficiency of the internal control system. The Internal Control Manager is authorized to take the necessary action to implement the directives of the Board of Directors, and to report violations of the Company's regulations, policies and Board's directives to the Board of Directors and the Audit Committee identified during the audit process. The department is mandated by the Board to investigate and form an independent opinion on any matter which obstructs, delays or challenges internal control work.



The Manager also advises the CEO for corrective actions. During 2015, no major issues were identified that warranted disclosure in the annual financial statements for the year.

The Internal Control Manager submits an annual audit plan to the Board of Directors for approval, which includes a comprehensive assessment of the risks facing the Company.

The Internal Control Department audits the internal control systems of the Company, its subsidiaries and the affiliates in which the Company holds a significant stake. The Department has full authority to obtain information on those companies from employees and departments at the Group level.

The audit reports are shared with the Company's external auditors when auditing the Company's annual financial statements.

**c. Whistle Blowing Mechanism:**

The Company has established a whistleblowing mechanism whereby employees can anonymously make complaints pertaining to mal-administration, fraud or corruption. The Internal Control Manager leads the Business Ethics Committee which is responsible for addressing complaints made through this procedure.

Since the Internal Control Manager 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. The Internal Control & Risk Manager:**

Mr. Bobby P. S. Sehmi was appointed Corporate Internal Controls & Risk Manager in July 2015. He has over 29 years of experience working with multinational organizations listed in the London, New York and Frankfurt Stock exchanges and the Abu Dhabi Securities Exchange. Mr. Sehmi is a Fellow of the Chartered Institute of Management Accountants (FCMA), Member of the Institute of Risk Management (MIRM), MBA, Member of the Institution of Civil Engineers (MICE) and Member of the Institution of Structural Engineers (MIStructE).

**e. Compliance Officer:**

Dr. Mohamed Nour Eldin Eltahir has been appointed as Compliance Officer for the Company by Board Resolution No. 25/2012 dated 18 November 2012, to carry on the duties and functions prescribed in the Ministerial Resolution No. 518/2009 and the regulations issued by the Securities and Commodities from time to time.

Dr. Mohamed is a holder of a LLB and PhD degree in Law from the University of Cambridge with over thirty (30) years of experience in legal practice.



## 7. Compliance during 2015

The Company did not commit any regulatory violations during 2015 and no fines or penalties were imposed on the Company.

## 8. Company's Social Responsibility

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

The table below shows some of the Company's social responsibility activities during the year 2015:

The Company's Corporate Social Responsibility during the year 2015		
Institution	Purpose	Activity
<b>UAE</b>		
Sharjah Tatweer Forum	Education	Leadership program for young nationals in Government & Private sectors.
<b>EGYPT</b>		
Dakahlia and Sharkia Governorates	Health	Provide two Intensive Care Ambulatory Units.
Sherbeen and Dakahlia Governorates	Education	Physical Renovation of Ezbet El Bat Primary School.
Sherbeen, Dakahlia, Gamalia, Genema, Damietta and San El Hagar Governorates	Education	Integrating IT Labs at four schools: Ezbet El Bat Primary School, Shehata Khafagy Primary School, Gamal Nasir Primary School and San El Hagar Primary School.
Dakahlia Governorate	Health	Renovation of Haga Ratiba Health Unit.
Dakahlia, Sharkia & Damietta	Education	Provide tablets for best academically performing students in schools supported by DGE.
Social Institutes	Community	Social Investment Report for 2009-2014
Sharkia Governorate	Community	Field Consultation & Reporting (feedback from local community regarding social intervention).



CSR Annual Forum	Community	<p>Dana Gas successfully sponsored the biggest CSR Event for the Year of 2015 with regards to the role of the private sector in development projects. The event was attended by the Ministry of Petroleum, Ministry of Investment, Ministry of Industry, Ministry of Trade and Supplies, Ministry of Local Development and Ministry of Social Solidarity as well as the Head of the Financial Regulatory Authority.</p> <p>The Company managed to demonstrate leadership and strong presence in front of the Egyptian cabinet and the leadership of the petroleum sector and private sector in Egypt generally. In addition to Dana Gas as the patron the event was sponsored by other companies.</p>
<b>IRAQ</b>		
Directorate of Education–Kurdistan Region of Iraq	Education	Hiring 13 vehicles to transport around 160 students from remote villages to their schools on a regular basis
Directorate of Agriculture in Qader Karam	Education	Renovation works for schools in Qader Karam
Qader Karam Municipality	Health	Contributions to help families to get proper health services
Mayorality of Chemchemical	Community	Providing financial support for temporary community employment arrangement proposal submitted by QK Mayor to hire 10 local persons from QK, who were unemployed and were demanding jobs. The arrangement is between Mayor's office and these persons with company providing only financial support.
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.
Directorate of Municipality - Chemchemical	Community	Cleaning campaign of CC city via funding works of 105 cleaning Labors.



## 9. General Information

### a. Schedule of share price in the market at the end of each month of the fiscal year of 2015

Date	Month-End	High	Low
29 January	0.46	0.48	0.45
26 February	0.46	0.46	0.45
31 March	0.40	0.41	0.39
30 April	0.51	0.54	0.51
31 May	0.42	0.44	0.42
30 June	0.46	0.46	0.45
30 July	0.55	0.55	0.53
31 August	0.54	0.55	0.53
30 September	0.55	0.56	0.54
29 October	0.47	0.48	0.47
30 November	0.48	0.52	0.47
31 December	0.51	0.52	0.48

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

Date	DG Price	ADX Index	Energy Index
1 January	0.49	4456.82	1076.68
1 February	0.47	4686.19	1053.96
1 March	0.46	4467.93	983.64
1 April	0.40	4647.12	1126.95
1 May	0.50	4527.63	982.85
1 June	0.42	4723.23	1031.25
1 July	0.49	4834.22	1166.63
1 August	0.53	4493.93	1091.48
1 September	0.53	4502.79	1103.24
1 October	0.55	4322.04	962.67
1 November	0.46	4236.39	957.53
1 December	0.48	4307.26	1013.94

### c. Statement of Shareholders' ownership as of 31/12/2015

Type	UAE	GCC	Arab	Others
Individuals	1,632,522,490	1,090,630,667	226,738,069	205,195,326
Companies	1,010,934,843	652,341,858	14,079,772	2,106,116,965
Governments	16,856,124	13,200,000	-	-
<b>TOTAL</b>	<b>2,660,313,457</b>	<b>1,756,172,525</b>	<b>240,817,841</b>	<b>2,311,312,291</b>
<b>6,968,616,114</b>				



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

<b>Investor Name</b>	<b>Citizenship</b>	<b>Quantity</b>	<b>%</b>
Crescent Petroleum Co. Int'l	Bermuda	1,328,108,236	19.058%

a. Details of shares ownership as of 31/12/2015, in accordance to the following schedule:

<b>Shares Ownership</b>	<b>Number of shareholders</b>	<b>Number of shares</b>	<b>% of shares compared to capital</b>
Less than 50,000	238,916	589,027,149	8.45%
From 50,000 to less than 500,000	3,209	470,245,397	6.75%
From 500,000 to less than 5,000,000	781	1,130,347,375	16.22%
Higher than 5,000,000	180	4,778,996,193	68.58%
<b>Total</b>	<b>243,086</b>	<b>6,968,616,114</b>	<b>100%</b>

b. Major events encountered by the Company during 2015

1. In January 2015, the Company received from the Egyptian Government a payment of AED 220 million. This represents 28% of the total overdue receivables of AED 778 million at the time.
2. In April 2015, the Company reported election of its new Board of directors during the Annual General Assembly Meeting for 2015. The new Board of Directors consists of 12 members. The new Board of Directors elected Mr. Hamid Jafar a Chairman and Mr. Rashid Al-Jarwan a Vice Chairman. Mr. Hani Abdulaziz Hussain, former Oil Minister of Kuwait and Mrs. Fatima Obaid Al-Jaber, Chief Operating Officer of Al-Jaber Group in Abu Dhabi joined as new members to the board.
3. In June 2015, the Company completed a participation agreement with BP, whereby BP will carry Dana Gas for drilling of a first exploration well in El Matariya onshore concession area, Nile Delta in Egypt which was awarded to BP and Dana Gas.
4. In June 2015, the Company commenced drilling the Balsam-2 development well in the Balsam Development lease onshore Nile Delta. It is the first in a major drilling campaign of some 30 wells, and a large number of work-overs that will be drilled in the next 3 years.




5. On 2 July 2015, the LCIA Tribunal handed down its Partial Final Award ruling confirming the Consortium's contractual rights in the arbitration with the KRG and confirming:
  - The Consortium's exclusive long-term rights to develop and produce gas and petroleum from both the Khor Mor and Chemchemal fields for the duration of the Contract, being not less than 25 years;
  - The KRG's contractual obligation to pay the Consortium for the produced condensate and LPG at international prices, including the pricing methodology for each; and that
  - Dana Gas and Crescent Petroleum were entitled to farm out part of their own interests to MOL and OMV, and that the KRG was not entitled to a share of the farm-out proceeds.
6. In August 2015, the Company announced the buyback of Ordinary and Exchangeable Sukuk of AED 99.34 million.
7. In November 2015, the Company announced of a significant gas discovery at Balsam-3, and that it has proved up additional 2P reserves with the Balsam-2 development well.
8. On 27 November 2015, London Court of International Arbitration issued a Partial Final Award ordering that the Kurdistan Regional Government of Iraq (KRG) pay to Dana Gas Company, Crescent Petroleum Company and Pearl Petroleum Company the sum of \$1.96 billion within 28 days for the outstanding unpaid invoices for the condensates and LPG delivered to the KRG up to 30 June 2015, as per the pricing methodology already determined previously by the Tribunal.
9. In December 2010, Dana Gas PJSC and Crescent Petroleum Company International Limited (the "Claimants") initiated arbitration proceedings before an arbitration tribunal in London alleging that RWEST (the "Respondent") had breached certain confidentiality agreements between the parties. On 10 March 2015, the Tribunal held that Respondent's breaches of the confidentiality agreements had harmed the Claimants' interests in the KRI. On 27 November 2015, the Claimants reached a mutually satisfactory and confidential settlement with RWEST. As part of the settlement, Dana Gas transferred an equity interest of 5% in Pearl Petroleum to RWE Middle East Holdings BV. Dana Gas' shareholding in Pearl Petroleum is consequently now 35%.



### **Communication with Shareholders, Investors and Media:**

Dana Gas maintains regular contacts with its Shareholders, investors and financial analysts to inform them on the Company's business activities and financial position through regular meetings with financials, analysts, media in press conferences and investors' calls and regular press releases on 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](http://www.danagas.com).

Shareholders are encouraged to contact the Company in respect to any inquiries about the affairs of the Company.

  
**Mr. Hamid D. Jafar**  
**Chairman of the Board**



April 18<sup>th</sup>, 2016