

AGREED-UPON PROCEDURES REPORT ON FACTUAL FINDINGS TO THE SHAREHOLDERS OF OMAN POWER AND WATER PROCURMENT COMPANY SAOC IN RESPECT OF CORPORATE GOVERNANCE REPORT

Scope and purpose

We have performed the procedures agreed with you pursuant to the Oman Investment Authority (OIA), the shareholder of the Company, issued the Public Disclosure Policy for OIA entities (the "Policy") dated 4 April 2024 which aims to provide a systematic, transparent and accountable method for presenting and disclosing financial and non-financial information by OIA entities to OIA and the public. The Policy, among other things, requires the Company to prepare a Corporate Governance Report (the "Report") in accordance with Annexure No. 1 to the Policy.

Restricted use

This agreed-upon procedures report ("AUP Report") is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to the accompanying corporate governance report of the Company to be included in its annual report for the year ended 31 December 2024 and does not extend to any financial statements of Oman Power and Water Procurement Company SAOC, taken as a whole.

Responsibilities of the Board of Directors

The Board of Directors have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement and are responsible for identifying and ensuring that the contents of the Report comply with the Code on which the agreed-upon procedures are performed. The sufficiency of these procedures is solely the responsibility of the Company and its Board of Directors.

Responsibilities of the Practitioner

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness, or the sufficiency of the agreed-upon procedures described below either for the purpose for which this AUP Report has been requested or for any other purpose.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Our independence and quality control

In performing the Agreed-Upon Procedures engagement, we complied with the ethical requirements in the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and the independence requirements in accordance with the relevant independence requirements. We are the independent auditor of the Company and therefore we also complied with the independence requirements of the IESBA Code that apply in the context of the financial statement audit. EY applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Shape the future
with confidence

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OMAN POWER AND WATER PROCUREMENT COMPANY SAOC IN RESPECT OF CORPORATE
GOVERNANCE REPORT
(continued)

Description of procedures performed

We have performed the procedures described below, which were agreed upon with you on the compliance of the Report with the Code for the year ended 31 December 2024.

Our procedures and findings included:

No.	Procedures	Findings
(a)	We have obtained the Policy from the Company.	No exceptions noted.
(b)	We have obtained the Corporate Governance Report (the "Report") from the Company Secretary issued by the Board of Directors and checked that the Report of the Company includes as a minimum, all items as detailed in Annexure No.1 'The Corporate Governance Report' to the Policy.	No exceptions noted.
(c)	We have obtained the details regarding areas of non-compliance with Annexure No. 1 'The Corporate Governance Report' to the Policy, identified by the Board of Directors of the Company for the year ended 31 December 2024, sourced from the Company Secretary or relevant personnel, along with supporting documentation.	No exceptions noted.

Ernst & Young

11 May 2025
Muscat



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE

Good governance is fundamental to PWP's ability to deliver water and electricity for the Sultanate of Oman that serves the short-term and long-term interests of its shareholders, the nation, and the ultimate consumers. PWP strives to incorporate good governance in its decision making and business practices. More specifically, PWP is structured to make timely, evidence-based, independent decisions under the auspices of its regulatory framework. It also serves to ensure that PWP can manage risks appropriately, act with transparency and integrity, and engage effectively with its stakeholders.

The role of the Board of PWP is to approve the strategic direction of PWP, to guide and monitor the management of PWP and its businesses in achieving its strategic plans, and to oversee good governance practice. The Board aims to protect and enhance the interests of its shareholders while considering the interests of other stakeholders, including employees, customers, counterparties, suppliers, its regulator, and the wider community. In performing its role, the Board is committed to a high standard of corporate governance practice and fostering a culture of compliance that values ethical behaviour, personal and organisational integrity, transparency, fairness, accountability and respect for others.

The Chief Executive Officer, the Chief Operating Officer and the remainder of the executive management are responsible for executing the strategic objectives put in place by the Board along the day-to-day management and operations of PWP in line with the high-level policies put in place by the Board.

The Code of Ethics and Business Conduct is a Nama Group initiative in the area of corporate governance which applies to all directors of NH and its Subsidiaries and which serves to emphasise the Company's commitment to ethics and compliance with the law, set forth standards of ethical and legal behaviour, provide reporting mechanisms for known or suspected ethical or legal violations, and help prevent and detect wrongdoing.

The Sector's Policy Statement on Conflict of Interest serves to establish clear guidelines on the identification and management of conflicts of interest. At Board level a «conflict of interest» occurs when the private interests of a member of the Board of Directors interfere in any way with the interests of NH or its Subsidiaries. In addition to avoiding conflicts of interest, member of the Board should also avoid the appearance of a conflict of interest. As such, PWP has in place a share prohibition in which no member of the Board or any of the employees of PWP are permitted to own shares in any of the project companies from whom PWP purchases power and water. Furthermore, PWP has established conflict of interest management procedure to ensure that any conflict-of-interest event is appropriately and sufficiently managed and addressed.

The Sector's Policy Statement on Fraud Deterrence introduced across the NH group serves as the final component of the corporate governance framework to safeguard the financial viability of the Group and transactions within the Group.

The Board and PWP employees are required to sign an annual declaration in which they confirm adherence to the Code of Ethics and Business Conduct, Fraud Deterrence and confirmation that there is no actual or perceived direct or indirect conflict of interest.

Also, the Company periodically reports its compliance with all statutory obligations to the Board and to its primary shareholder, NH.

BOARD OF DIRECTORS

The Board and its committees are responsible for establishing the general policies of the Company, supervising the execution of its activities, approving its budget and the appointment of the top management positions. The purpose Board Executive Committee is to ensure a steady workflow and attaining to critical projects' plan and targets by delegating the responsibilities of the Board under the relevant policies to the executive committee, in addition to a list of roles and responsibilities specified in the Terms of Reference for the Board Executive Committee.

All of the current five board members were appointed in 2023 except for the current Chairman of the board who was appointed on 11 June 2024 following the resignation of the previous Chairman of the Board. The total numbers of meetings held by the Board and its committees and the attendance of members is as shown in the below table:

Table 1 Current Board Members

Board Members	Designation	Board Meetings	Status	Member of other Companies' Board/ Committees	Date of Last AGM Meeting Attended
Ahmed Al Subhi	Chairman	4	Independent	Board Chairman - Be'ah Board Chairman - Nama Holding	
Fatma Al Rashdi	Deputy Chairperson	8	Not Independent	None	27 March 2024
Ahmed Al Hooti	Member	9	Independent	None	27 March 2024
Faiza Al Harthi	Member	9	Independent	None	27 March 2024
Aflah Al Lawati	Member	9	Independent	OQEP	27 March 2024

Table 2 Former Board Member

Board Member	Designation	Board Meetings	Status	Resignation Date	Member of other Companies' Board/ Committees	Date of Last AGM meeting Attended
Abdul Aziz Al Shidhani	Chairman	5	Independent	11 June 2024	Board member - Be'ah	27 March 2024

During the year 2024, there were 9 meetings for board of directors as per the below table.

Board Meeting Number	Date of the Meeting
1/2024	February 27, 2024
2/2024	March 10, 2024
3/2024	March 27, 2024
4/2024	April 28, 2024
5/2024	May 30, 2024
6/2024	June 26, 2024
7/2024	August 12, 2024
8/2024	September 18, 2024
9/2024	October 27, 2024

BOARD COMMITTEES

BOARD AUDIT AND RISK COMMITTEE (BARC)

The Board Audit and Risk Committee (BARC) operates under a mandate approved by the Board and is responsible for overseeing the Company's internal controls, risk management, and governance processes. The BARC ensures that the internal audit function is effective, independent, and aligned with the Company's strategic objectives. It approves the annual audit plan, reviews the findings of internal audits, and monitors the implementation of audit recommendations. The BARC also evaluates the adequacy of the Company's financial reporting processes and compliance with statutory obligations.

The total numbers of meetings held by the Board Audit and Risk Committee and the attendance of members is as shown in the below table:

Table 3 Board Audit and Risk Committee meeting

Members		Number of Meeting Attended	Status
Aflah Al Lawati	Chairman	4	Independent
Faiza Al Harthi	Member	4	Independent
Ahmed Al Hooti	Member	4	Independent

During the year 2024, there were 4 meetings for Board Audit and Risk Committee as per the below table.

Board Audit and Risk Committee Number	Date of the Meeting
Meeting 1/2024	February 26, 2024
Meeting 2/2024	June 25, 2024
Meeting 3/2024	September 12, 2024
Meeting 4/2024	October 21, 2024

OTHER SUB COMMITTEES OF THE BOARD

BOARD EXECUTIVE COMMITTEE

The purpose from this committee is to ensure a steady workflow and attaining to critical projects' plan and targets by delegating the responsibilities of the Board under the relevant policies to the executive committee, in addition to a list of roles and responsibilities specified in the Terms of Reference for the Board Executive Committee.

Below is the list of the members of the Board Executive Committee and the number of meetings attended:

Table 4 Board Executive Committee meeting

Members		Number of Meeting Attended	Status
Abdul Aziz Al Shidhani	Chairman	2	Independent
Fatma Al Rashdi	Member	2	Not Independent
Ahmed Al Abri	Member (Management)	2	Not Independent
Abdullah Al Sawafi	Member (Management)	2	Not Independent

During the year 2024, there were 2 meetings for Board Executive Committee as per the below table.

Board Executive Committee Meeting Number	Date of the Meeting
1/2024	February 1, 2024
2/2024	February 18, 2024

MAJOR TENDER COMMITTEE

The Major Tender Committee is a key body within the company's procurement framework, responsible for overseeing significant procurement processes to ensure transparency, efficiency, and compliance with internal policies. The committee includes executive management representatives as well as two members of the Board of Directors, reflecting the strategic importance and oversight required for critical procurement decisions.

Below is the list of the members of the Major Tender Committee and the number of meetings attended:

Table 5 Current Major Tender Committee Members

Members		Number of Meeting Attended	Status
Ahmed Al Subhi	Chairman	5	Independent
Fatma Al Rashdi	Member	9	Not Independent
Ahmed Al Abri	Member (Management)	11	Not Independent
Saud Al Mahrouqi	Member (Management)	10	Not Independent
Iftiaal Al Adawi	Member (Management)	4	Not Independent

Table 6 Former Major Tender Committee Members

Members		Number of Meeting Attended	Status
Abdul Aziz Al Shidhani	Chairman	5	Independent
Abdullah Al Sawafi	Member (Management)	4	Not Independent

During the year 2024, there were 11 meetings for Major Tender Committee as per the below table.

Major Tender Committee Meeting Number	Date of the Meeting
1/2024	January 4, 2024
2/2024	January 30, 2024
3/2024	February 11, 2024
4/2024	February 18, 2024
5/2024	March 26, 2024
6/2024	May 8, 2024
7/2024	June 26, 2024
8/2024	July 23, 2024
9/2024	September 3, 2024
10/2024	October 10, 2024
11/2024	December 15, 2024

DETAILS OF NON-COMPLIANCE

There were no penalties and strictures imposed on the Company by the regulator or any regulatory authority during 2024.

RISK MANAGEMENT

To secure the Company's operations and achieve key objectives, PWP has developed an enterprise risk management framework to identify and manage the risks effectively. PWP manages the risks associated with its operations by identifying, measuring, and preventing key uncertainties. Risks are assessed in terms of likelihood as well as business and financial impact. PWP reviews its Enterprise Risk Management register and discuss it with Board Audit and Risk Committee at least once every quarter.

BUSINESS CONTINUITY MANAGEMENT

PWP is keen to ensure business continuity and maintaining the highest levels of undisturbed services to its customers and stakeholders. As such, PWP developed a Business Continuity Management framework and established the relevant policies and plans as per the guidelines issued by OIA. All BCM related activities are monitored, reported and escalated to the BCM committee. In addition, PWP management conducts quarterly reviews of the BCM documentation that ensures alignment and compliance of the developed framework and policies with OIA requirements.

INTERNAL AUDIT

The Internal Audit function provides an independent and objective assessment of the adequacy and effectiveness of the Company's risk management, internal control, and governance, along with recommendations to improve those systems. The function operates independently of management, under a mandate approved by and kept under review by the Board Audit Committee (BAC). A risk-based approach is used to identify, prioritise and focus on internal audit activities. The annual audit plan is presented to the BAC for approval. The BAC meets the internal auditors to discuss the results of the quarterly internal audit.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Refer to to The Annual Report and the Report of the Financial Statements, Chairman Message, Director Report and CEO Message providing Key information on the company's financial performance, in addition to the key strategic projects and sustainability projects. The Company's financial performance gives a view of the current financial standing and future projections. The reports assist investors and shareholders in understanding how the Management and Board implement the decision-making process, and the company's core principles and financial fundamentals.

COMPLIANCE WITH THE CODE OF GOVERNANCE FOR OIA ENTITIES

The Company was in full compliance with the Code of Governance for OIA Entities.

CHANNELS OF COMMUNICATION WITH THE STAKEHOLDERS

Pursuant to the Royal Decree 78/2004 (Sector Law) and its amendments, the Company maintains close liaison with Electricity Holding Company SAOC, Numo Institute for Competency Development LLC and Nama Shared Service LLC, on various policy issues.

The Company maintains an active communication program with its shareholders. Annual Reports are posted on the Company's website for all stakeholders and mailed directly to shareholders.

STATUTORY AUDITOR

The MENA practice of EY has been operating in the region since 1923. For over 100 years, we have grown to over 8,500 people united across 26 offices and 15 countries, sharing the same values and an unwavering commitment to quality. EY MENA forms part of EY's EMEIA practice. Globally, EY operates in more than 150 countries and employs 400,000 professionals in 700 offices. Please visit [ey.com](https://www.ey.com) for more information about EY. The fees of the Statutory Auditor for the year 2024 approved by the shareholder amounted RO. 17,235.

SITTING FEES

Total fees paid to each board member during the year is as stated below:

Table 7 Total Fees during 2024

Board Member	Total Fees (OMR)
Ahmed Al Subhi	3,000
Fatma Al Rashdi	6,000
Aflah Al Lawati	6,600
Ahmed Al Hooti	6,600
Faiza Al Harthi	6,600
Abdul Aziz Al Shidhani	6,600
Total fees paid during the year	35,400

** All sitting fees for the board and associated committees are capped at OMR 6,000 per member. However, there were some fees related to the year 2023 where the company did not account for in 2023 and were paid in 2024.*

Chairman



Board Member

