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C.R. No. 1224013  
PR No. HMH/15/2015; HMA/9/2015

## **AGREED-UPON PROCEDURES REPORT ON FACTUAL FINDINGS TO THE SHAREHOLDERS OF NAMA ELECTRICITY SUPPLY 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 2025 and does not extend to any financial statements of Nama Electricity Supply 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 management**

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 regulations in the Sultanate of Oman. 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 Management 1, which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



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AGREED-UPON PROCEDURES REPORT ON FACTUAL FINDINGS TO THE SHAREHOLDERS OF  
NAMA ELECTRICITY SUPPLY 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 2025.

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 2025, sourced from the Company Secretary or relevant personnel, along with supporting documentation and compared these with those included in the Report in the section "Details of non-compliance".  Additionally, we obtained written representations from the Board of Directors that there were no other areas of non-compliance with the Code for the year ended 31 December 2025 of which they were aware.	No exceptions noted.

*Ernst & Young*

28 April 2025  
Muscat



# GOVERNANCE REPORT

## 1. COMPANY PHILOSOPHY

The Code of Governance for OIA entities is the main driver for the governance control in defining the boundaries between the main roles and functions of the Board of Directors (BoD), Chief Executive Officer (CEO), and employees of the company. The Board of Directors is responsible for overseeing how the management serves the interests of the Company, its shareholders, and its key stakeholders. The Corporate Governance Code and its principles are designed around this philosophy to comply with international practices.

Our shareholders, Nama Holding (NH), have documented processes covering the detection, investigation, and prosecution of dishonest conduct such as fraud, theft, and corruption committed by staff or external parties against its companies. To support this, the Whistleblower Policy and system have been adopted by the company to address potential conflicts of interest or fraud.

The Board of Directors has directed the Audit and Risk Management Committee (ARMC) to monitor and report on compliance with applicable laws and regulations through the Legal Counsel and the Regulations and Compliance Function, which report to ARMC on a quarterly basis. The report consists of a comprehensive risk assessment focusing on operational, financial, regulatory risks along with mitigation strategies that were reviewed by ARMC and then implemented by the management accordingly.

Through planned Board and Committee meetings, the Board of Directors ensures that the company delivers the compliance, governance, committee, quarterly, and annual reports that fairly represent the performance of the company and comply with all legal requirements.

This Annual Report ensures that it addresses all material issues and fairly represents the integrated performance of the company in accordance with Oman Investment Authority's (OIA) Public Disclosure Policy for OIA Entities, issued on 4th April 2024.

The Board reviews and approves the financial statements annually in conjunction with the ARMC before obtaining approval from the shareholders through the Annual General Meeting.

The Board has delegated the responsibility for publishing and disclosing the approved Annual Report, including the Financial Statements and Corporate Governance Report, on the website to the management. The Company has a list of approved spokespersons who can respond to any media inquiries.



## 2. BOARD OF DIRECTORS

### 2.1 Composition and Dependency Status

The Board of Directors is accountable for protecting the interests of the shareholders in accordance with the Sector Law, along with other local laws and regulations. The annual evaluation of the Board is conducted based on an approved Board Performance Evaluation Framework by OIA.

The main duties of the Board are as follows:

- Creating and delivering the company's strategic direction within a framework that aligns with corporate objectives and policies, and
- Ensuring that the management maintains a system of internal controls to ensure effective and efficient operations, accurate financial reporting, and compliance with local laws and regulations
- Maintaining a strong reputation for its financial standing by mitigating any related risks that are inherent to the business, in addition to controlling the relative costs and benefits.

The table below includes the details of Board members and the number of Board meetings for the period 1st January 2025 to 31st December 2025

Name of the Member	Dependance Status	Position in the Board	Number of meetings attended	Chairman/Member in other Board Committees	Number of General Meetings attended
Mansoor Ali Al Maqbali	Non-Independent	Chairman	7	-	1
Adil Ismail Al Raisi	Non-Independent	Deputy Chairman	7	BEC*- Member	-
Tariq Saleh Taha	Independent	Member	6	ARMC- Chairperson	1
Said Salim Al Shanfari	Independent	Member	6	MJTC*-Chairperson BEC**- Chairperson ARMC-Member	-
Hadeel Mohamed Al Mazroo'ey	Independent	Member	7	ARMC-Member MJTC*-Member BEC**-Member	1

\*MJTC: Major Tender Committee

\*\*BEC: Board Executive Committee

The definition of Independence as per the Code of Governance for OIA Entities issued on 16th September 2021 is applicable.

The table below shows the number of other boards or board committees where the director is a member or chairperson in other organizations as of 31st December 2025

Name	Organization Name	Designation	Total membership Including Nama Electricity Supply Company
Mansoor Ali Al Maqbali	-	-	1
Adil Ismail Al Raisi	Dhofar Integrated Services Company SAOC	Deputy Chairman	2
Tariq Saleh Taha	Oman Banking Association	Member of the Board	2
Said Salim Al Shanfari	Destination Hotel Management Company SAOC	Chairman of the Board	3
	Muscat Endowment Fund	Member of the Board	
Hadeel Mohamed Al Mazroo'ey	-	-	1

## 2.2 Number of Board Meetings Held and Dates

There were seven meetings of the Board in 2025. These meetings were held on 29<sup>th</sup> January 2025, 26<sup>th</sup> February 2025, 27<sup>th</sup> April 2025, 22<sup>nd</sup> July 2025, 28<sup>th</sup> August 2025, 27<sup>th</sup> October 2025, 24<sup>th</sup> December 2025.

## 3. BOARD COMMITTEES

### 3.1 Audit and Risk Management Committee (ARMC)

The members of the ARMC include three non-executive directors and most of the members have a background of either financial or commercial experience at a senior management level.

#### 3.1.1 Audit Risk Management Committee Responsibilities

The ARMC is mainly responsible for ensuring the integrity of the company's accounts, financial reporting systems, and the development and oversight of risk management processes. In accordance with the Code of Corporate Governance requirements, the committee undertook the following activities during 2025, which include, but are not limited to:

- Approving the appointment of the external auditors, ensuring their independence, and recommending their appointment to the Board for final approval.
- Reviewing and approving the annual audit plan, including all proposed changes, and ensuring full access to all required documents and individuals.
- Overseeing the course of their audit to ensure focus on any possible instances of financial fraud or fictitious accounting practices.

- Managing the activities of the Internal Audit function to ensure adequate staffing with qualified individuals (the current team includes 4 employees, which consists of professionally qualified accountants, internal auditors and those actively pursuing relevant professional qualifications), This includes:
  - Approving the annual Internal Audit plan
  - Approving the audit charter.
  - Approving proposed changes to the Internal Audit Plan.
  - Reviewing Internal Audit Reports.
- Providing updates on each Board meeting presented by the Chairman of ARMC.
- Forming a view on the adequacy of the control environment within the Company.
- Reviewing selected key risks (severe and High risks are monitored closely to ensure implementation of mitigation plans and they are extracted from the Corporate Risk Register and reviewed quarterly).
- Monitoring the actions taken by management in response to risk.
- Ensuring Risk Management follows all aspects of the law and adheres to the relevant regulations and best practices.
- Reviewing the company's material risk exposures.
- Reviewing and approving the financial statements in the annual report, audited accounts, and other key documents (business Plans, other documents for external review) related to risk management.
- Reviewing and approving the Company's key policies in compliance with legal and regulatory requirements.
- Exercising general oversight of compliance with OIA, NH and internal policies.
- Reviewing the closure of third-party recommendations (such as APSR and State Audit)

### 3.1.2 Audit and Risk Management Committee Meetings and Attendance

The Committee met 6 times during 2025. In all meetings, the committee invites the CEO, Group Chief Internal Auditor, Group Chief Internal Auditor and other members of the management. The internal auditor is always included in all the ARMC meetings, and the external auditor presents the annual and mid-year financial results.

The table below shows the composition and number of meetings held by the Committee during 2025.

Name of the Member	Position in the Committee	Number of Meetings Attended
Tariq Saleh Taha	Chairperson	6
Said Salim Al Shanfari	Member	5
Hadeel Mohamed Al Mazroo'ey	Member	6

### 3.1.3 Dates of the Meetings of Audit and Risk Management Committee held during 2025

There were 6 meetings of the Audit and Risk Management Committee during 2025. These meetings were held on 24<sup>th</sup> February 2025, 23<sup>rd</sup> April 2025, 20<sup>th</sup> July 2025, 27<sup>th</sup> August 2025, 19<sup>th</sup> October 2025 and 23<sup>rd</sup> December 2025.

### 3.2 Major Tender Committee

Major Tender Committee (MJTC) was established by the Board in line with the OIA's Procurement and Tendering Policy and in line with Procurement Guidelines issued by Nama Holding. The Committee is comprised of five members from the Board of Directors and Management and chaired by a member of the Board of Directors.

#### 3.2.1 Major Tender Committee Responsibilities

The MJTC is responsible for the following:

- Ensuring that all tenders are processed in accordance with the principles of transparency, equal opportunity, equity and free competition.
- Selecting and approving members of the Procurement Committee (procurement of less than OMR 50k)
- Ensuring that all tenders and variation orders are executed based on fair, ethical and transparent grounds.
- Selecting the best Bid within the scope of its authorities.
- Ensuring full compliance with the set of procedures during the tendering process.
- Ensuring that any additional regulations or procedures relating to the tenders are streamlined with these guidelines.
- Authorizing additional clarification in connection with Bids.
- Directing for re-tendering when the results of the original tendering process are not satisfactory.
- Reviewing and submitting brief quarterly reports about its activities along with the Minor Tender Committee and Procurement Committee activities to the Board.
- Submitting quarterly reports to the BoD on the variation orders issued.
- Performing any other responsibilities as defined in the OIA's Procurement Tendering Policy entities and Procurement Guidelines for Nama Group Entities, or any other responsibilities assigned by the Board of Directors of Nama Holding and Nama Electricity Supply Company.



### 3.2.2 Major Tender Committee number of Meetings and Attendance

The table below shows the composition and MJTC meetings 2025 for the period from 1<sup>st</sup> January 2025 to 31<sup>st</sup> December 2025

Name	Position in the Committee	Number of Meetings Attended
Said Salim Al Shanfari	Chairman (Board)	1
Hadeel Mohammed Al Mazroo'ey	Member (Board)	1
Salim Said Al Kamyani	Member (Management)	1
Salman Ali Al Hattali	Member (Management)	1
Ali Ibrahim Al Maki	Member (Management)	1

### 3.2.3 Dates of the Meetings of Major Tender Committee held during 2025

There was one meeting of the MJTC during 2025. This meeting was held on 23<sup>rd</sup> April 2025.

## 3.3 Board Executive Committee (BEC)

The members of the BEC include three non-Executive Directors and one from the Executive Management for the period from January 2025 to December 2025 aligned with the Committee Term of Reference approved by the Board.

### 3.3.1 Board Executive Committee Responsibilities

The BEC is responsible for the following:

- Inclusion of Vision, Mission, and Corporate Objectives
- New Business Development and Investments
- Divestment Plans (As per NH & OIA policies and guidelines).
- Recommend policies and procedures related to HR to the Board, ensuring alignment with Nama Holding's strategic objectives.
- Evaluate and recommend any proposed amendments or exemptions to existing Policies.
- Recommend the updating of N-1 organization structure for the company.
- Participate in the appointment of N-1 positions the company.
- Ensuring compliance to directives set by the NH & Oman Investment Authority (OIA) & Ministry of Labor other governmental authority in respect to Human Resources.
- Evaluate and recommend any propose amendments of Group HR policy manual based on NH, OIA direction and Omani Labor law and other related laws and regulations.
- Recommend succession plans for key executive positions, ensuring leadership continuity and maintaining organizational stability.
- Review and recommend any promotion for N-1 employees of the Company.
- Executing any other tasks mandated by the Board.

### 3.3.2 Board Executive Committee number of Meetings and Attendance

The table below shows the composition and BEC meetings 2025 for the period from 1st January 2025 to 31st December 2025

Name	Position in the Committee	Number of Meetings Attended
Said Salim Al Shanfari	Chairman (Board)	4
Adil Ismail Al Raisi	Member (Board)	4
Hadeel Mohammed Al Mazroo'ey	Member (Board)	3
Salim Said Al Kamyani	Member (Management)	4

### 3.3.3 Dates of the Board Executive Committee held during 2025

There were 4 meetings of the BEC during 2025. These meetings were held on 12th February 2025, 14th May 2025, 26th August 2025 and 13th October 2025.

## 4. DIRECTOR DEVELOPMENT

Shareholders consider the director's development and training as fundamental to establishing an effective Board operation. Through OIA, OIA has recommended Board Director Certification Program during 2025.

## 5. BUSINESS OFFICIAL TRIP

During the Year members of the Board namely Mr. Mansor Al Maqbali and Mr. Said Al Shanfari undertook official business trip in connection with the Company Operations including site visits and regulatory meetings. These trips were not considered workshops or Board meetings; therefore, no sitting fees were paid. Expenses incurred in connection with such trip were paid in accordance with the company's travel and expenses policy.

## 6. DETAILS OF NON-COMPLIANCE

There were no penalties or strictures imposed on the Company by the regulator or any regulatory authority during 2025.

## 7. 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 at <https://supply.nama.om> for all stakeholders and mailed directly to shareholders.

## 8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Refer 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.

## 9. COMPLIANCE WITH THE CODE OF GOVERNANCE FOR OIA ENTITIES

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

## 10. STATUTORY AUDITOR

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

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 27 offices and 14 countries, sharing the same values and an unwavering commitment to quality. Globally, EY operates in more than 150 countries and employs over 400,000 professionals. EY operates as one firm, with 3 geographic areas, and EY member firms are grouped into 10 regions. Please visit [ey.com](http://ey.com) for more information about EY.

Statutory Auditor fees for the year 2025 amounted to ~~₹~~22,528.

## 11. ANNUAL GENERAL MEETING OF SHAREHOLDERS

An Annual Ordinary General Meeting shall be held each year within three months after the end of the Company's financial year. Additional Ordinary General Meetings shall be arranged when required by law or the articles of association of the Company or whenever a need for such a meeting arises. During 2025, the Company held its Annual General Meeting (AGM) on 24<sup>th</sup> March 2025 attended by the shareholders chaired by Mr. Mansoor Ali Al Muqbal Chairman of the Board and attended by Mr. Tariq Saleh Taha and Ms. Hadeel Mohamed Al Mazroo'ey members of the Board.

## 12. THE REMUNERATION OF THE BOARD OF DIRECTOR AND THE KEY MANAGEMENT PERSONNEL

The company Paid **₹** 680,771 (Six Hundred Eighty Thousand and Seven Hundred Seventy-One Riyal Omani) toward salaries and remuneration of the top 5 key management personnel which was amounted **₹**548,999 and directors' remuneration and sitting fees during the year were **₹**131,772.

The tables below show the overall remuneration paid to Board members during the year 2025:

Description	Amount <b>₹</b>
Sitting fees paid for Board of Directors	19,000
Sitting fees paid for Audit and Risk Management Committee (ARMC)	4,800
Sitting fees paid for Major Tender Committee (MJTC)	600
Sitting fees paid for Board Executive Committee (BEC)	3,300
<b>Total sitting fees</b>	<b>27,700</b>
<b>Bonus paid during 2025 (year 2024 performance)</b>	<b>103,112</b>
<b>Travel Allowances</b>	<b>960</b>
<b>Grand Total</b>	<b>131,772</b>

Details of the Remuneration paid to Board members.

Name of Director	Sitting Fees ( <b>₹</b> )-2025				Total ( <b>₹</b> )	Bonus ( <b>₹</b> ) 2024 performance	Travel Allowances ( <b>₹</b> )	Total <b>₹</b>
	Board	ARMC	MJTC	BEC				
Mansoor Ali Al Maqbali	4,900	-	-	-	4,900	20,000*	480	25,380
Adil Ismail Al Raisi	4,200	-	-	1,200	5,400	17,681.311**		23,081.311
Ibrahim Said Al Sulaimani (1 <sup>st</sup> January 2024 - 27 <sup>th</sup> March 2024)	-	-	-	-		5,430.689**		5,430.689
Tariq Saleh Taha	3,600	1,800	-	-	5,400	20,000		25,400
Said Salim Al Shanfari	3,000	1,500	300	1,200	6,000	20,000	480	26,480
Hadeel Mohamed Al Mazroo'ey	3,300	1,500	300	900	6,000	20,000		26,000
<b>Total</b>	<b>19,000</b>	<b>4,800</b>	<b>600</b>	<b>3,300</b>	<b>27,700</b>	<b>103,112</b>	<b>960</b>	<b>131,772</b>

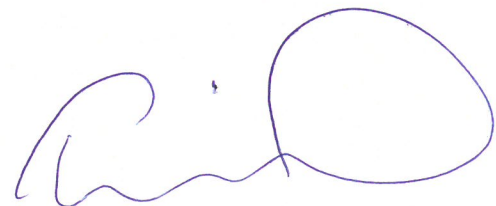
\*Paid Directly to OIA

\*\*Paid Directly to NH

Warm Regards,



**Mansoor Ali Al Maqbali**  
Chairman, Bord of Director

**Tariq Taha**  
Chairman Audit and Risk Committee

