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PR No. HMH/15/2015; HMA/9/2015

AGREED-UPON PROCEDURES REPORT ON CORPORATE GOVERNANCE REPORT TO THE SHAREHOLDERS OF SEMBCORP SALALAH POWER AND WATER COMPANY SAOG

Scope and purpose

We have performed the procedures agreed with you pursuant to the Financial Services Authority's (FSA) circular no. E/4/2015, dated 22 July 2015, with respect to the Board of Directors' Corporate Governance Report (the "Report") of Sembcorp Salalah Power And Water Company SAOG (the "Company") as at and for the year ended 31 December 2025 and its application of the corporate governance practices in accordance with amendments to FSA's Code of Corporate Governance issued under circular no. E/10/2016 dated 1 December 2016 (collectively the "Code").

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 Sembcorp Salalah Power And Water Company SAOG, 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 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.



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**AGREED-UPON PROCEDURES REPORT ON CORPORATE GOVERNANCE REPORT
TO THE SHAREHOLDERS OF SEMBCORP SALALAH POWER AND WATER COMPANY SAOG (continued)**

Our independence and quality control (continued)

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.

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 obtained the Corporate Governance Report issued by the Board of Directors and checked that the Report of the Company includes at minimum all items suggested by FSA to be covered by the report as detailed in the Annexure 3 of the Code.	No exceptions noted.
(b)	We obtained from the Company details regarding areas of non-compliance with the Code identified by the Company's Board of Directors for the year ended 31 December 2025 and compared these with those included in the Report in the section "Details of Non-compliance related to Code of Corporate Governance by the Company". 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



15 February 2026
Muscat

Sembcorp Salalah Power & Water Company SAOG

Corporate Governance Report

This Corporate Governance Report for the year ended December 31, 2025, sets out the company's corporate governance processes and activities with reference to the rules set out in 14 principles of the Code of Corporate Governance (the Code) issued vide Circular No. E/4/2015 dated July 22, 2015 which came into force on July 21, 2016.

Company's Philosophy

The Company adheres to the Code issued by the Financial Services Authority ("FSA") (formerly known as Capital Market Authority) and takes all steps necessary to fulfil the objective of good corporate governance. The following is the Company policy with reference to the corporate governance principles:

Corporate Governance and Code of Business Conduct

Sembcorp Salalah firmly believes that good corporate governance is key to delivering long-term shareholder value. The Company is committed to adhering to high standards of management, its Code of Business Conduct, and having robust systems of internal controls and accountability.

The Company has established detailed functional policies and procedures (through its operation and maintenance company), Financial Authority Limits, clear roles and responsibilities for the Board and Management, Enterprise Risk Management Framework and a Code of Business Conduct, which establishes internal controls throughout the organisation and helps management to take decisions with regards to the Company's affairs. The Board also sets financial and non-financial targets every year and evaluates the Company's performance progressively.

The Company is committed to ensuring that all shareholders have easy access to clear, reliable and meaningful information in order to make informed investment decisions and also encourages shareholders to attend the general meetings. For this purpose, the Company has established an Investor Relations Policy to uphold high standards of corporate transparency and communication with shareholders and to provide a disciplined and a professional approach to the flow of information from the Company at all times.

The Company's Code of Business Conduct expresses high standard of behaviour and integrity that the Company requires from its directors and employees.

Board of Directors

Formation, Roles and Responsibilities and Authority and Competencies

The membership of the Company's Board of Directors (the Board) ensures that at least one third of the Board is independent and all the directors are non-executives whilst it also brings the level of practical and professional expertise required by the Company.

The Board comprises nine directors, all of which are non-executives and five of them are independent. The board members include professionals with strong experience relevant to the Company's business. Given that all of the directors are non-executive and the majority of them are independent, the objectivity of board decision making and issues deliberated is assured. The Board has also reviewed and approved clear job descriptions of the Board and the Chairman, which is in line with the new Code encompassing the roles and responsibilities that are expected of them.

Sub-Committees

The Board established following sub-committees in line with the New Code, detailed terms of reference of which has been established:

1. Nomination and Remuneration Committee
2. Audit Committee
3. PWPA restructuring Committee (ad hoc committee)

Brief roles and responsibilities of the above are included in this report.

Chairman

The Chairman is non-executive and brings with him vast experience in strategy, business and project development for the utility business industry. He has sufficient experience and knowledge and leadership skills to lead the Board and the Company to ensure that the Board performs its role, responsibilities, functions and powers in directing the Company towards achieving its objectives.

Independent directors

Directors are considered independent if they meet the criteria as mentioned in the Code. Independent directors give their statement annually indicating whether or not a change in circumstances has occurred which might impair their independence. Currently, the Company has five independent directors.

Company Secretary

The Board ensures that the Company Secretary has sufficient experience and knowledge to assist the board to discharge their roles and responsibilities effectively and efficiently.

Executive Management

Executive Management manages the operations of the Company in accordance with the established policies and procedures of the Company to achieve the established objective of the Company. Executive Management performs their duties in accordance with financial authority limits as approved by the Board. It is the responsibility of the Management to provide all the necessary information including key risks and challenges to the Board to perform their duties effectively and efficiently.

Related party transactions

The Company enters into related party transactions only if these are in its best interests. The Company believes in high level of transparency and clarity in identification and reporting of related party transactions. Related party transactions are highlighted to the Audit Committee and the Board for their review before final approval by the shareholders in the Annual General Meeting.

External auditors

The shareholders appoint an internationally renowned audit firm in accordance with company's Financing Agreements and local regulations as recommended by the Board. The Board makes sure that external auditors are independent so that the auditors give their professional opinion on the financial statements presented to the shareholders.

Corporate Social Responsibility

Sembcorp Salalah recognises the importance of being a good corporate citizen in the conduct of its business activities as well as in fulfilling its corporate and social responsibilities. The Company follows a consistent approach for its charitable contributions and community investments.

The Board of Directors and Its Committees

The Board members were elected on March 19, 2025, during the Annual General Meeting (AGM). In accordance with the Code, all elected Board members are non-executives. The table below outlines the Board members and their attendance at both the AGM and Board meetings for the year 2025.

Board of Directors		Category	Board meetings					AGM
			13-Feb.	19 - Mar.	28-Apr.	29-Jul.	27-Oct.	
Tan Cheng Guan	Chairman	Non-Executive	P	P	P	P	P	P
Kalat Al Bulooshi	Deputy Chairman	Non-Executive	P	P	P	P	P	P
Tariq Al Amri	Director	Non-Executive and Independent	P	P	P	P	P	P
Vipul Tuli (Note 1)	Director	Non-Executive	P	P	P	P	P	P
Yap Siew Leng (Note 1)	Director	Non-Executive	P	P	P	P	P	P
Ahmed Al Bulushi	Director	Non-Executive and Independent	P	P	P	P	P	P
Hussein Al Lawati	Director	Non-Executive and Independent	P	P	P	P	P	P
Ahmed Al Moosawi (note 2)	Director	Non-Executive and Independent	P	-	-	-	-	-
Abdullah Mohammed Al Ma'amari	Director	Non-Executive and Independent	P	P	P	P	P	P
Imad Al Salmi (note 3)	Director	Non-Executive and Independent	-	P	P	P	P	P

Legends: P= Present, - = Apologies, NA = Not applicable

Note 1: Mr. Vipul Tuli and Ms. Yap Siew Leng resigned from the Board on 3 December 2025. They were succeeded by Mr. Koh Chiap Khiong and Mr. Lim Kwang Ming, who joined the Board as Non-Independent Non-Executive Directors.

Note 2: Mr. Ahmed Al Moosawi completed his term in March 2025 and did not stand for re-election.

Note 3: Mr. Imad Al Salmi was elected as a new Independent Non-Executive Director at the

AGM held on 19 March 2025.

The following are the names of directors who hold directorships in Public Joint Stock Companies in Oman other than Sembcorp Salalah.

Name of directors	Number of directorships
Hussein Al Lawati	1
Ahmed Al Bulushi	1
Imad Al Salmi	1
Abdullah Mohammed Al Ma'amari	2

The Board formed the Nomination and Remuneration Committee, and Audit Committee in accordance with the requirement of the Code. On 19 March 2025, the elected board appointed the members of the Committee.

Committee	Chairman	Members
Audit Committee	Tariq Al Amri	Ahmed Al Bulushi, Yap Siew Leng, Imad Al Salmi and Abdullah Mohammed Al Mamari
Nomination and Remuneration Committee	Kalat Al Bulooshi	Vipul Tuli and Hussein Al Lawati

Ms. Yap Siew Leng resigned from the Audit Committee on 3 December 2025. She was succeeded by Mr. Lim Kwang Ming.

Mr. Vipul Tuli resigned from the Nomination and Remuneration Committee on 3 December 2025. He was succeeded by Mr. Koh Chiap Khiong.

The Board formed temporary committee on 01 June 2022, the elected board appointed the following members of the Committee. The Committee ceased to operate in October 2025 after successfully achieving its objective.

Committee	Chairman	Members
Temporary Committee	Tan Cheng Guan	Kalat Al Bulooshi, Vipul Tuli, and Abdullah Mohammed Al Mamari

Audit Committee Meetings

The following is a list of audit committee members and their attendance in audit committee meetings for the year 2025:

Audit Committee Members		Category	Audit Committee meetings				
			13-Feb.	19 - Mar.	28-Apr.	29-Jul.	27-Oct.
Tariq Al Amri	Chairman	Non-Executive and Independent	P	P	P	P	P
Ahmed Al Bulushi	Director	Non-Executive and Independent	P	P	P	P	P
Abdullah Mohammed Al Mamari	Director	Non-Executive and Independent	P	P	P	P	P
Ahmed Al Moosawi	Director	Non-Executive and Independent	P	-	-	-	-
Imad Al Salmi	Director	Non-Executive and Independent	-	P	P	P	P
Yap Siew Leng	Director	Non-Executive	P	P	P	P	P

Legends: P= Present, - = Apologies, NA = Not applicable

Nomination and Remuneration Committee Meetings

The following is a list of Nomination and Remuneration Committee members and their attendance in Nomination and Remuneration Committee meetings for the year 2025:

Nomination and Remuneration Committee Members		Category	Nomination and Remuneration Committee Meetings	
			11-Feb.	28-July
Kalat Al Bulooshi	Chairman	Non-Executive	P	P
Vipul Tuli	Director	Non-Executive	P	P
Hussein Al Lawati	Director	Non-Executive and Independent	P	P

Legends: P = Present, - = Apologies, NA = Not applicable

Temporary Committee

Committee Members		Category	PWPA Restructuring Committee Meetings	
			18 Feb 2025	14 July 2025
Tan Cheng Guan	Chairman	Non-Executive	P	P
Kalat Al Bulooshi	Director	Non-Executive	P	P
Vipul Tuli	Director	Non-Executive	P	P
Abdullah Mohammed Al Mamari	Director	Non-Executive and Independent	P	P

Legends: P = Present, - = Apologies, NA = Not applicable

Terms of Reference of the Board Committees

Audit Committee

The Audit Committee (AC) comprises of non-executive directors of which the majority are independent as highlighted above.

Authority and Duties of the AC

The AC assists the Board in fulfilling its fiduciary responsibilities relating to the internal controls, audit, accounting and reporting practices of the Company. Its main responsibilities are to review the Company's policies and control procedures with the external auditors, internal auditors and management and act in the interest of the shareholders in respect of interested person transactions as well as any matters or issues that affect the financial performance of the Company. The AC reviews the quarterly, half-yearly and full-year results announcements and accompanying press releases as well as the financial statements of the Company for adequacy and accuracy of information disclosed prior to submission to the Board for approval.

The AC has explicit authority to investigate any matter within its terms of reference and enjoys full access to and co-operation from management to enable it to discharge its function properly.

Where relevant, the AC is guided by Tenth Principal – Audit Committee and Internal Controls – detailed in the FSA's Code of Corporate Governance.

Internal auditors

The Company has established an in house internal audit function. An internal auditor objectively reviews an organisation's business processes and internal controls, evaluates the efficacy of risk management procedures that are currently in place and ensures that the organization is complying with laws and regulations. The AC meets the internal auditors at least once every quarter without the presence of management. The internal auditor submits its report to the audit committee on a quarterly basis.

External Auditors

Each year, the AC reviews the independence of the Company's external auditors and makes recommendations to the Board on the re-appointment of the Company's external auditors.

The AC reviews and approves the external audit plan to ensure the adequacy of audit scope. It also reviews the external auditors' management letter (if any) and monitors the timely implementation of the required corrective or improvement measures. The AC meets the external auditors at least once every quarter without the presence of management. The AC has reviewed the nature and extent of non-audit services provided by the external auditors to the Company and is satisfied that the independence of the external auditors has not been impaired by their provision of non-audit services. Details of non-audit fees payable to the external auditors are found later in this report.

Whistle-Blowing Policy

The AC also oversees the Company's whistle-blowing policy implemented by the Company to strengthen corporate governance and ethical business practices. Employees are provided with accessible channels to the Company's Internal Auditor and the Sembcorp Group's Internal Audit department to report suspected fraud, corruption, dishonest practices or other misdemeanors. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will, to the extent possible, be protected from reprisal.

Nomination and Remuneration Committee (NRC)

The NRC is charged with the following responsibilities:

- of ensuring that Sembcorp Salalah's Board is reviewed to ensure strong and sound leadership for the continued success of the Company. It ensures that the Board has a balance of skills, attributes, background, knowledge and experience in business, finance and related industries, as well as management skills critical to the Company; and
- for developing, reviewing and recommending to the Board the framework of remuneration for the Board and key management personnel. It assists the Board to ensure that competitive remuneration policies and practices are in place. The NRC also reviews and recommends to the Board the specific remuneration packages for each director as well as for key management personnel. The NRC's recommendations are submitted to the Board for endorsement.

The NRC reviews and makes recommendations to the Board on the independence of the directors, new appointments, re-appointments and re-elections to the Board and Board Committees to ensure the Board maintains an appropriate size. The NRC is also responsible for reviewing the succession plans for the Board Chairman, developing a process for performance evaluation of the Board and Board Committees, and reviewing training and professional

development programmes for the Board.

Appointment & Re-Appointment of Directors

When the need for a new director is identified, the NRC will prepare a shortlist of candidates with the appropriate profile and qualities for nomination. The Board reviews the recommendation of the NRC and appoints the new director. In accordance with the Company's Articles of Association, the new director will hold office until the next AGM, and if eligible, the director can stand for re-appointment.

The Company's Articles of Association require all directors to apply for re-election at the AGM after three years.

The NRC reviews succession planning for key management personnel in the Company. Potential internal and external candidates for succession are reviewed for different time horizons according to immediate, medium-term and long-term needs.

Human Resource Matters

The NRC has access to expert professional advice on human resource matters whenever there is a need for such external consultations. In engaging external consultants, the Company ensures that the relationship, if any, between the Company and its external consultants will not affect the independence and objectivity of the external consultants.

Temporary (ad hoc) committee

On 1 June 2022, the board established ad hoc committee for the purpose of reviewing, restructuring and extension of Power and Water Purchase Agreement (PWPA); and evaluation of any possible refinancing. The Committee also analyses the utility sector market dynamics, evaluates post PWPA pricing. The Committee was also authorized to approve the budget for the restructuring and extension of PWPA and possible refinancing and re-leveraging of the term loan, if any. The Committee ceased to operate in October 2025 after successfully achieving its objective.

Remuneration Matters

The remuneration structure of the Board is approved by the Shareholders in the Annual General Meeting:

Directors' Remuneration Structure

In light of the FSA rules and in accordance with the approval of sitting fee and remuneration in Annual General Meeting 2025, the Company paid following sitting fees and remuneration to directors during the year.

	Amount RO
Remuneration for the year 2024 (approved in AGM 2025)	104,455
Sitting fees for the year 2025	32,250
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	136,705

The Nomination and Remuneration Committee and Board of Directors recommended Shareholders pay RO 104,456 as bonus for the board members for the year 2025. Directors Remuneration is linked to the performance of the Company.

Executive Management Remuneration

The Company employs the CEO and Deputy CEO. All other executive posts are provided by Sembcorp Salalah O&M Services Co.

The aggregate remuneration paid to the Company's key management personnel amounted to RO 332,991. The remuneration paid is commensurate with the qualification, role, responsibility and performance of the executive team. The breakdown of the remuneration is as follows:

	2025
	Amount RO
Short-term employee benefits	324,425
Social security and gratuity	8,566
	<hr/>
	332,991

In addition to the above, an amount of RO 419,259 (2024: RO 361,913) was paid to Sembcorp Salalah O&M Services Company LLC in accordance with O&M agreement for key managerial positions. Short term employee benefits include salaries, benefits, allowances and bonuses. Bonuses are linked to the performance of the Company and achievement of goals established by the Nomination and Remuneration Committee.

Employment contracts of executive management meet the requirements of Omani labor law and there is a standard notice period as per Company's policy in case of resignation by the employee.

Details of Non-Compliance related to Code of Corporate Governance by the Company

There have been no instances of non-compliance on any matter relating to the FSA's code of corporate governance for MSX listed companies, FSA regulations or the MSX listing agreements. There were no penalties or strictures imposed on the Company by the FSA, MSX or any other statutory authority on any matter related to capital markets during the past three years.

Means of Communication with Shareholders and Investors

The Company recognises:

- a) the importance of providing shareholders, investors and analysts with easy access to clear, reliable and meaningful information on its business and operations in order to make informed investment decisions;

- b) that accurate, coherent and balanced communications help to establish its reputation; and
- c) the disclosure rules required by the FSA according to Part VII of the FSA Executive Regulations issued in 2009.

As noted above, the Company has an Investor Relations Policy in which the objectives are to uphold high standards of corporate transparency and disclosure and promote clear and open communication with shareholders, investors and analysts by always providing a disciplined and a professional approach to the flow of information from the Company.

The Company communicates with its shareholders and investors through the MSX website and its own website, www.sembcorpsalalah.com.om. Quarterly financial, annual report and operating data and all material information are posted on both websites in a timely fashion as required by the FSA.

The company's executive management is also available to meet shareholders and analysts as and when requested.

Market Price Data

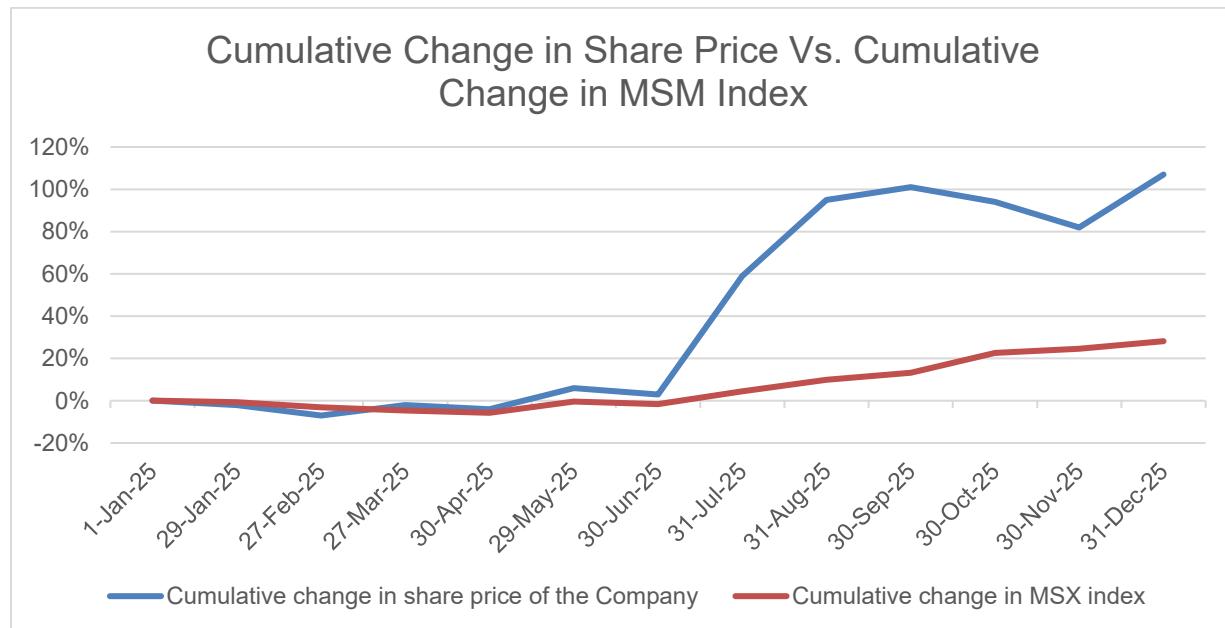
The Company was listed on the Muscat Stock Exchange (MSX) on October 8, 2013. Below table shows monthly trade turnover and volume with high and low price for the year 2025.

Period	Trade ¹		Share price High	Share price Low
	Volume (number of shares)	Value RO		
January	2,496,315	249,299	0.102	0.097
February	3,639,636	357,517	0.101	0.090
March	1,893,561	173,415	0.100	0.086
April	842,391	78,089	0.096	0.089
May	6,246,483	640,531	0.108	0.095
June	2,067,264	211,219	0.107	0.096
July	13,215,430	1,654,779	0.160	0.103
August	8,032,951	1,390,218	0.198	0.150
September	12,892,706	2,424,475	0.210	0.180
October	15,882,584	3,046,326	0.205	0.185
November	12,153,583	2,240,236	0.198	0.177
December	16,413,588	3,249,448	0.207	0.180

¹ Muscat Stock Exchange Website

The table below shows a comparison of the Company's performance against the MSX in 2025.²

Date	Sembcorp Salalah share price RO/share	Cumulative change from 1 January 2025	MSX Index	Cumulative change from 1 January 2025
1-Jan-25	0.1000	-	4,577.41	-
29-Jan-25	0.098	-2.00%	4,543.21	-0.75%
27-Feb-25	0.093	-7.00%	4,435.86	-3.09%
27-Mar-25	0.098	-2.00%	4,367.03	-4.60%
30-Apr-25	0.096	-4.00%	4,316.25	-5.71%
29-May-25	0.106	6.00%	4,561.04	-0.36%
30-Jun-25	0.103	3.00%	4,500.87	-1.67%
31-Jul-25	0.159	59.00%	4,780.98	4.45%
31-Aug-25	0.195	95.00%	5,029.89	9.89%
30-Sep-25	0.201	101.00%	5,181.62	13.20%
30-Oct-25	0.194	94.00%	5,610.34	22.57%
30-Nov-25	0.182	82.00%	5,705.72	24.65%
31-Dec-25	0.207	107.00%	5,866.80	28.17%



Distribution of Shareholding as at 31 December 2025

The table below shows the shareholder distribution at the end of December 2025.

² Muscat Stock Exchange website

Percentage holding	Number of shareholders	Volume of shares	Percentage of total shares
Less than 5%	1,541	356,700,887	37.37%
5% to 10%	1	90,610,772	9.49%
Above 10%	2	507,260,291	53.14%
Total	1,544	954,571,950	100.00%

Professional Profile of Statutory Auditors

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 the world over.

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 for more information about EY.

Break down of fee for the year 2025 is as follows:

	2025
	Amount RO
Audit for the year 2025	23,500
Interim quarterly reviews	3,000
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	26,500
	<hr/>

Out of pocket expenses and fee for translation services are paid on actual basis.

Acknowledgement of the Board of Directors

The Directors confirm their responsibility for the preparation of the financial statements in line with International Financial Reporting Standards to fairly reflect the financial position of the Company and its performance during the relevant financial period. The Board confirms that it has reviewed the efficiency and adequacy of the internal control systems of the Company and is pleased to inform the shareholders that adequate and appropriate internal controls are in place, which are in compliance with the relevant rules and regulations.

The Board of Directors confirms that there are no material matters that would affect the continuity of the Company, and its ability to continue its operations during the next financial year.



Director



Chief Financial Officer