

CORPORATE GOVERNANCE REPORT

For the Year Ended 31 December 2025

1. Company’s Philosophy on Corporate Governance

Oman Cement Company SAOG (“the Company”) is committed to the highest standards of corporate governance, transparency, accountability and ethical conduct. The Company believes that strong governance practices are fundamental to sustainable value creation for shareholders and other stakeholders.

The Company has established a comprehensive Corporate Governance Framework aligned with the Code of Corporate Governance issued by the Financial Services Authority (FSA), including Circulars E/4/2015, E/4/2016, E/10/2016, Administrative Decision No. 10/2018, and Executive Regulation of the Capital Market Law under Decision No. 1/2019, together with the Regulation for Public Joint Stock Companies dated 25 February 2021 (collectively, the “Code”).

These policies are continuously reviewed and strengthened to enhance transparency, disclosure, internal control, risk management, and compliance with applicable laws and regulations.

2. Board of Directors & Committee membership:

Name	Position	Independent Status	Membership of Board in other SAOG Cos.	
			Chairperson	Member
Mr. Xu Gang	Chairman of Board and E&IC	Not Independent	-	-
Mr. Chen Qian	Vice Chairman of Board, Chairman of BTC, and member of AC and E&IC	Not Independent	-	-
Dr. Al-Muatasim Al-Mutairi	Chairman of AC and member of Board	Independent	-	1
Mrs. Najat Ali Al Lawati	Member of E&IC, BTC and Board	Independent	-	2
Mr. Abdullah Mohammed Al Ma’mari	Member of BTC and Board	Independent	-	2
Mr. Su Hao	Member of AC, BTC and Board	Independent	-	-
Mr. Wang Jiajun	Chairman of NR & HRC and member of E&IC, BTC and Board	Not Independent	-	-
Mr. Li Yeqing (up to 20 March 2025)	Chairman of the Board and E&IC	Not Independent	-	-
Mr. Ishaq Zaid Al Maawali (up to 20 March 2025)	Vice chairman of the Board, Member of E&IC and NR&HRC	Independent	-	1

Mr. Ian Riley (up to 20 March 2025)	Member of NR&HRC and Board	Independent	-	-
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Note: All Board Members are non-executive

2.1 Attendance of Board and Committee Meetings in 2025

Name of Board of Directors	AGM	BM	E&IC	AC	NR&HRC	BTC
Mr. Xu Gang	1	8	2	-	2	-
Mr. Chen Qian	1	7	2	5	-	-
Dr. Al-Muatasim Al-Mutairi	-	6	-	4	-	-
Mrs. Najat Ali Al Lawati	1	6	1	1	2	-
Mr. Abdullah Mohammed Al Ma'mari	1	7	-	1	-	-
Mr. Su Hao	-	7	-	4	3	-
Mr. Wang Jiajun	-	7	2	-	3	-
Mr. Li Yeqing (up to 20 March 2025)	1	1	-	-	-	-
Mr. Ishaq Zaid Al Maawali (up to 20 March 2025)	-	1	-	-	2	-
Mr. Ian Riley (up to 20 March 2025)	-	1	-	-	2	-

AGM – Annual General Meeting, **OGM** – Ordinary General Meeting, **BM** – Board Meeting, **E&IC** – Executive & Investment Committee, **AC** – Audit Committee, **NR&HRC** – Nomination, Remuneration & HR Committee, **BTC** –Board Tender Committee.

2.2 Meetings Held During 2025

Meeting	Number of Meetings	Dates
Annual General Meeting	1	20 March 2025
Board of Directors	8	20 Feb, 20 Mar, 28 Apr, 18 May, 23 May, 28 Jul, 28 Oct 2025 and 26 Nov 2025
Executive & Investment Committee	2	28 May, 13 Oct 2025

Audit Committee	5	17 Feb, 23 Apr, 20 Jul, 22 Oct, 02 Dec 2025
Nomination, Remuneration & HR Committee	5	27 Jan, 16 Mar, 05 May, 16 Sep 2025 and 26 Nov 2025
Board Tender Committee	-	nil

2.3 Profile of Top Management Executives

Sl. No.	N a m e o f executive	Designation	Qualification	Professional experience
1	Mr. Zhu Yaping (up to 30 Nov 2025)	Chief Executive Officer	B.Sc. Science in Electrical Engineering Master of Science in Control Theory and Engineering	37 years
2	Jiang Tao	Acting Chief Executive Officer	B.Sc. in Computer Science and Technology. Master's in Business Engineering and Project Management.	16 years
3	Mr. Fatick Al Balushi	Chief Financial Officer	B.Sc. Commerce & Economics, M B A (Finance)	23 years
4	Mr. Zaid Al Siyabi	General Manager-Engineering	B.Sc. (Mech)	36 years
5	Mr. Arif Kalam	Commercial Director	B.Sc. Civil and Building Engineering, MBA.	30 years
6	Mr. Gao Mingwei	General Manager-Manufacturing	Graduate	33 Years

3. Terms of Reference of Board Committees (Summary)

3.1 Executive & Investment Committee (E&IC)

- 3.1.1 Formulation of credit, marketing, and pricing policies.
- 3.1.2 Review and recommendation of operational budgets and amendments.
- 3.1.3 Formulation and oversight of the Company's investment strategy to optimize returns while ensuring safety and compliance.

3.2 Audit Committee (AC)

The terms of reference include matters as specified under Code of Corporate Governance issued by Financial Services Authority vide Circular references E/4/2015 dated 22 July 2015, E/4/2016 dated 18 April 2016 and E/10/2016 dated 1 December 2016, Administrative Decision N 10/2018 dated 27.12.2018 and Executive Regulation of Capital Market Law under the Decision No. 1/2019 dated 18 March 2019 (collective "the Code"), Regulation for public Joint Stock Companies dated 25.02.2021 including but not limited to the followings –

- 3.2.1 Review of internal and external audit plans and audit results.
- 3.2.2 Assessment of the effectiveness of internal control systems and accounting policies.
- 3.2.3 Oversight of quarterly and annual financial statements prior to Board approval.
- 3.2.4 Acting as a communication channel between auditors and the Board.
- 3.2.5 Review of risk management framework and compliance with the Code.

3.3 Board Tender Committee (BTC)

- 3.3.1 Review and approval/recommendation of procurement of materials, services and projects.
- 3.3.2 Assists the Board of Directors on issues relating to tendering, vendor development and procurement governance.

3.4 Nomination, Remuneration and Human Resources Committee (NR&HRC)

- 3.4.1 Oversight of talent management, recruitment, remuneration, performance management and employee relations.
- 3.4.2 Recommendation of Board and senior management appointments and succession planning.

4. Nomination of Directors

The Company follows the procedures prescribed under its Articles of Association, the Code and applicable laws for nomination, evaluation and appointment of Directors, ensuring transparency, independence and competency.

5. Remuneration matters:

Remuneration paid to the Members of the Board of Directors and the top executives of the company as below:

- (a) Proposed remuneration to Board Members for 2025: RO 110,250 (subject to AGM approval). The amount of RO. 110,250 has been paid in 2024 to Board Members as remuneration for the year 2024 as approved in the AGM during 2025.
- (b) Meeting attendance fees for 2025: RO 23,750.
- (c) Remuneration of top five executives (salary, allowances and benefits): RO 720,747.
- (d) Service contracts are generally for two years, renewable annually, with a notice period of three months. End of service benefits are in accordance with Omani Labour Law, Social Security Law and Company policy.

6. Compliance by the company:

The company has complied with the relevant provisions of the Financial Services Authority on Corporate Governance. The company has paid penalties and received notice as under:

Sr. no	Authority who imposed penalty	Amount (OMR)	Year of penalty	Penalty description
1	Environment Authority	3,000	2023	Environmental related
2	Ministry of Labour	3,000	2024	Labour related
3	Mining Authority	5,000	2025	The Company received a violation notice (Violation Report No. 2764 dated 14 October 2025) from a regulatory authority in relation to an inspection at the Company's gypsum quarry, proposing an estimated fine of OMR 5,000. Based on discussions with the Authority and representations submitted, the Company expects the violation to be withdrawn.

Other than the above, no penalties or strictures were imposed by MSX or FSA during the last three years.

7. Board performance appraisal

An independent evaluation of the Board for the term 2022–2024 was conducted by external consultants, approved at the AGM held on 25 March 2022. The evaluation report was approved by shareholders at the AGM on 20 March 2025.

8. Shareholder and Investor Communication

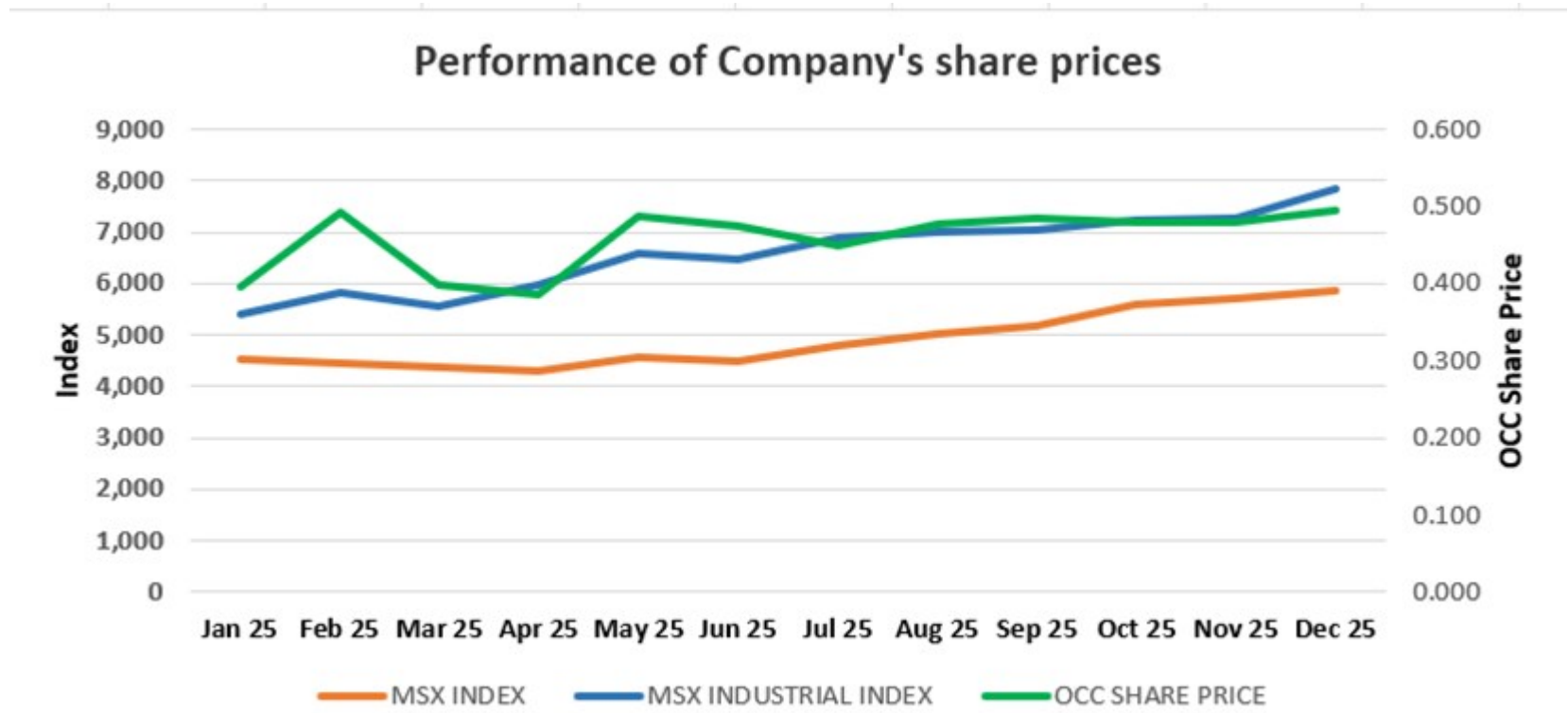
- 8.1 Quarterly and annual results are published in leading Arabic and English newspapers. Copies are made available to shareholders on request.
- 8.2 Results are available on the Muscat Stock Exchange website (www.msx.om).
- 8.3 Corporate information is available on the Company website (www.occ.om).
- 8.4 Management Discussion and Analysis forms part of the Annual Report.

9. Market Data and Shareholding

9.1 Share Price Performance (2025)

Month	High	Low
Jan-25	0.400	0.381
Feb-25	0.541	0.395
Mar-25	0.518	0.377
Apr-25	0.399	0.383
May-25	0.490	0.380
Jun-25	0.535	0.471
Jul-25	0.500	0.450
Aug-25	0.480	0.456
Sep-25	0.485	0.464
Oct-25	0.487	0.475
Nov-25	0.485	0.470
Dec-25	0.496	0.481

9.2 Share Performance vs MSX Indices



9.3 Distribution of Shareholdings as at 31 December 2025

Number of Shares Range	Number of Shareholders	N u m b e r o f Shares	% of Shares
1-10,000	2,624	6,480,667	1.96
10,001-50,000	366	8,468,073	2.56
50,001-100,000	48	3,716,109	1.12
100,001-500,000	29	5,651,582	1.71
500,001-1,000,000	4	3,290,371	0.99
1,000,001-10,000,000	20	56,901,372	17.20
Above 10,000,000	2	246,364,536	74.46
Total	3,093	330,872,710	100.00

9.4 There are no outstanding GDR's/ADR's/Warrants or any other convertible instrument which are likely to have an impact on equity.

10. Auditors' Professional Profile

Ernst & Young (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, EY has 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.

11. Audit Fees

The total audit fee excluding applicable VAT payable to Ernst & Young LLC (EY), the auditors of the Company, amounts to RO 22,250 (Rial Oman Twenty-Two Thousand Two Hundred Fifty only) plus actual out of pocket expenditures capped at maximum OMR 1,000 for the year 2025.

12. Internal Control and Going Concern

The financial statements are prepared in accordance with applicable standards and regulations. The internal control system is regularly assessed for effectiveness and adequacy. The Board confirms that there are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

Xu Gang

Chairman of the Board of Directors