



AMENDED ARTICLES OF ASSOCIATION
Oman Power and Water Procurement Company (SAOC)

On 26 Shawal 1423 AH, corresponding to 30 December 2002 AD, and upon the Council of Ministers' approval issued on 26 Rabia Al Awal 1423 AH, corresponding to 8 June 2002 AD, an Omani closed joint stock company has been established in accordance with the provisions of the Commercial Companies Law No. 4/74, as amended; the provisions of Royal Decree No. 80/98 promulgating the Capital Market Law, as amended; the provisions of Royal Decree No. 102/94 promulgating the Foreign Capital Investment Law, as amended; the provisions of the Law for the Regulation and Privatisation of the Electricity and Related Water Sector¹; and the provisions of the Memorandum and Articles of Association, in accordance with the following:

Company Legal Structure

Article 1

Company Name

The name of the Company shall be: Oman Power and Water Procurement Company (SAOC).

Article 2

Head Office

The registered office of the Company shall be situated in the Muscat Governorate – Sultanate of Oman.²

Article 3

Company Duration

The duration of the Company shall be unlimited commencing from the date of registration in the Commercial Register at the Ministry of Commerce and Industry.

Article 4

Company Objects

The Company shall, when undertaking the objects for which it has been established, comply with the provisions stipulated in the licence granted thereto and the rules determined by the regulatory authority established by the Law for the Regulation and Privatisation of Electricity and Related Water Sector (Sector Law).

The Company objects are as follows:

- To provide production capacity and output that can cover all reasonable demands for electricity in the Sultanate of Oman in coordination with the Rural Areas Electricity Company, in accordance with the Law for the Regulation and Privatisation of Electricity and Related Water Sector and the licence issued by the Authority for Electricity Regulation.

¹ This reference has been added by way of the contract amending the AoA in 2014.

² This article has been amended by way of the contract amending the AoA in 2014.



- b) To provide production of desalinated water as per the maximum limit that is consistent with the economic procurement of the production capacity and output of the desalinated water and electricity.
- c) To cooperate with the Rural Areas Electricity Company in respect of future planning for the reasonable demand for electricity and the necessity of new capacity therefor.
- d) To arrange obtaining the supporting services, as required, in coordination with the Oman Electricity Transmission Company.
- e) To bulk supply the Water Department with desalinated water in accordance with an agreement to be entered into for this purpose, in which the required conditions for such supply shall be determined, with guarantee of sale of demineralised water to other entities.
- f) To provide the licensed companies with electricity in consideration of a bulk supply tariff and to guarantee the availability of the sufficient supply of electricity to these companies to enable them to meet the demand for electricity.
- g) To import or export electricity in accordance with the provisions of Article (114) of the Law for the Regulation and Privatisation of the Electricity and Related Water Sector by Royal Decree No. 78/2004.
- h) To cover the demand for new capacity by establishing new plants to be designed, constructed, financed, owned and operated by local and foreign investors.
- i) The production capacity, output, supporting services and all other goods and services shall be purchased, obtained or managed on the basis of economic procurement.
- j) To issue the instructions to Salalah Project Company to transfer the assets of its network to the Electricity Holding Company after the termination of the Concession Agreement or the expiration of the duration of the same.
- k) To implement any duties in accordance with the Law for the Regulation and Privatisation of the Electricity and Related Water Sector and the licence issued by the Authority for Electricity Regulation.
- l) To accept the assignment of the contracts entered into by the Ministry of Housing, Electricity & Water including the contracts pertaining to the production power for electricity generation and water desalination and production thereof, which shall be determined in the transforming project, under which the assets of the Ministry of Housing, Electricity & Water shall be transferred.
- m) To manage the supporting services pursuant to the requirements of the Law for the Regulation and Privatisation of the Electricity and Related Water Sector and the licence issued by the Authority for Electricity Regulation.



- n) To procure fuel for the purpose of supplying licensees for generation or generation and desalination.
- o) To implement the duties assigned to the Company and pertaining to Salalah Project Agreements.
- p) To implement any other duties assigned to the Company pursuant to the Law for the Regulation and Privatisation of the Electricity and Related Water Sector.

In order for the Company to achieve its objects and to undertake its duties, the Company shall have the right to carry out the following acts:

- (1) To enter into contracts, including but not limited to, power procurement contracts for electricity generation and for water desalination, contracts for electricity generation and desalinated water, procurement contracts for support services, fuel and other things required by the Company, provided that the Company shall adopt the economic procurement approach therein.
- (2) To insure finance for procurement of any new production power for electricity generation and water desalination when the same is required by the local and/or foreign private sector.
- (3) To borrow and raise money for the objects of the Company, secure or discharge any debt or obligation of the Company in such manner as the Company deems fit after coordinating with the Electricity Holding Company and the Ministry of Finance.
- (4) To insure, in such manner as the Company sees fit, any properties, assets, things or interests and against any obligations or possible losses of the Company or any other person, as well as to insure the life and health of any person for the benefit of the Company.
- (5) To acquire by any means, hold and deal with any immovables, movables or rights of any type.
- (6) To acquire by any means and hold the whole or any part of the assets, and to undertake the whole or any part of the obligations pertaining to any person carrying on or intending to carry on any business that the Company is authorised to undertake or which can be undertaken in connection with the business of the Company.
- (7) To draw, make, accept, endorse, discount, negotiate, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (8) Subject to the restrictions provided for in the Sector Law, to enter into any arrangements with the units of administrative state apparatus or companies or persons to achieve the Company's objects.
- (9) Subject to the provisions contained in its licence, to dispose of, by any means whatsoever, the whole or any part of the assets of the Company or of any interest therein.



- (10) Subject to the restrictions provided for in the Sector Law, to undertake any business or activities that the members of the Board of Directors deems fit for the Company's interest, whether directly or indirectly.
- (11) To apply to obtain the consents, permits and approvals necessary to fulfil the Company's objects.
- (12) To undertake all necessary acts to achieve the Company's objects, the acts related thereto and the acts supplementary to the Company's business.
- (13) To enter into contracts with individuals or companies within or outside the Sultanate of Oman for the management of the whole or part of its businesses and activities, or for assistance in such management by local and/or foreign sources of expertise.
- (14) Subject to the restrictions provided for in the Sector Law, to perform all acts and enter into all contracts and deals, and do all works necessary, suitable, convenient and proper for the accomplishment thereof provided that the Company shall not own any interest in the other companies established by the Sector Law.
- (15) In general, the Company shall undertake its business and perform its duties pursuant to the provisions of the Sector Law and the licence issued by the Authority for Electricity Regulation.
- (16) The Company may conduct the activity of import and export of electrical and mechanical equipment, machinery, apparatuses and any other equipment or materials required for the purpose of implementing the projects of the Company.

Article 5

Company Capital

- A. The Company's issued capital shall be (500,000 OMR) five hundred thousand Omani Rials, divided into (500,000 shares) five hundred thousand shares of a nominal value of one Omani Rial each. All the shares of the Company are of nominal value.
- B. The Electricity Holding Company (SAOC) subscribed for (499,950 shares) of the issued share capital being 99.99% of the issued share capital.
- C. The Ministry of Finance subscribed for (50 shares) of the issued share capital being 0.01% of the issued share capital.

Article 6

Shares, Certificates and Deeds

1. The shares of the Company shall be represented by certificates. They shall be nominal shares and each one shall bear a special number and shall be signed by two Board members and stamped by the Company stamp.



2. All shares shall be of the same nominal value. A share shall not be divisible or owned by more than one person unless it is acquired through inheritance, in which case such persons shall have a single representative whose name shall stand first in the shareholder's register but the endorsement of all joint owners shall be required to transfer the shares. Joint owners of Shares shall be jointly and severally liable for the obligations arising from such ownership. The transfer of such shares shall require endorsement of all joint owners.
3. No person shall have the right to purchase the shares of Oman Power and Water Procurement Company, which shall be fully owned by the government, pursuant to Article 14 of the Law for the Regulation and Privatisation of the Electricity and Related Water Sector.

Article 7

Rights inherent to the Ownership of Shares

All shares of the Company shall carry equal rights that are inherent in the ownership thereof, namely the right to receive dividends declared by the General Meeting, the preferential right of subscription for new shares, the right to participate in the distribution of the Company's assets upon liquidation, the right to sell shares in accordance with law, the right to inspect the Company's balance sheet, profit and loss statement and register of shareholders, the right to receive notice of and participate and vote in General Meetings in person or by proxy, the right to apply for annulment of any decision by the General Meeting or the Board of Directors, if it is contrary to the law or these Articles of Association or its internal regulations, and the right to institute actions against the Directors and auditors of the Company on behalf of the shareholders or on behalf of the Company pursuant to Article 110 of the Commercial Companies Law No. 4/74, as amended.

Article 8

Transfer of Ownership of Shares

The ownership of shares shall be transferred by its record in the registers of the Muscat Securities Market and the transfer of ownership of such shares shall be registered in the Company's shareholders' register, which shall include the name and nationality of each shareholder as well as his chosen place of residence, the number of his shares and its serial numbers. The Company shall not consider any person as owner of any shares unless his ownership has been entered into the shareholders' register. The Company shall register any transfer of ownership free of cost within three days from the date of receiving the required documents. The Company shall be prohibited from charging any money for the issue of share certificates.

Article 9

Issue of Shares

Shares shall not be issued for less than their nominal value. Expenses of the issue up to 2% of the nominal value of each share may be added to the nominal value of each share. If shares are issued at a premium, the excess over the nominal value shall be applied first to pay the expenses of the issue and any surplus shall be added either to the legal reserve or to a special reserve in accordance with Article 106 of the Commercial Companies Law No. 4/74, as amended.



Article 10

Rights and Obligations of the Shareholder Creditors or Heirs

Under no circumstances shall the creditors or heirs of the shareholder place seals on the Company's books, papers or properties; nor shall they demand the dividing or liquidation of the Company. They also shall not interfere by any means in the Company's management. When they claim their rights, they should refer to the Company's inventory list, its final accounts and the resolutions passed by General Meetings.

Article 11

Shareholder Liability

The shareholders shall not stand liable except within the limits of the nominal value of the shares subscribed by them and neither the General Meeting nor the Board of Directors shall have the right to increase the shareholders' obligations. The acceptance of the shareholder to own the Company's shares obliges the shareholder to accept its Articles of Association and resolutions passed by its General Meetings.

Article 12

Increase and Reduction of Share Capital

The authorised capital of the Company may be increased by a resolution passed at an Extraordinary General Meeting of the Company. The issued capital may also be increased by a resolution of the Board of Directors within the limit of the authorised capital. The issued share capital must be actually increased within five years following the date of the resolution allowing the increase, or else it shall be deemed void. An Extraordinary General Meeting may resolve to reduce the Company's capital if it exceeds the Company's needs or if the Company has incurred losses, but by no means may the capital be reduced to less than the minimum provided for in the Commercial Companies Law No. 4/74, as amended. The resolution to reduce the Company's capital shall be published in at least two daily newspapers on two consecutive days together with a written notice inviting all creditors of the Company to submit their objections within sixty days from the date of notice. The reduction of the Company's capital may become effective only after the expiry of the referred to sixty days period and after all objecting creditors have been satisfied, either by paying their loans or giving them adequate security.

Article 13

Bonds Issued by the Company

By a resolution passed at an Extraordinary General Meeting, the Company may issue negotiable bonds through public subscription in consideration of the amounts borrowed by the Company and such bonds shall be subject to the provisions of the Commercial Companies Law, as amended, and the decisions issued to implement the same, the Ministerial Decision No. 159/2004 regarding Controls for Issuance of Bonds and the provisions of Article 106 of the Law for the Regulation and Privatisation of the Electricity and Related Water Sector.



Board of Directors and Executive Management

Article 14

Formation of the Board of Directors

- A. The Company shall be managed by a Board of Directors consisting of five (5) members from the shareholders or others, provided that the majority of the Board members shall not be working for the Company in consideration of a fixed monthly or annual remuneration.³
- B. Nominees to the membership of the Board or the representatives of juristic persons must comply with the rules and conditions issued by the Minister of Commerce and Industry, subject to Article 95 of the Commercial Companies Law and without prejudice to these Articles of Association. Nominees to the membership of the Board must:
1. Be at least 21 years old.
 2. Not be a member of the board of Directors of a public or closed joint stock company that is based in the Sultanate of Oman and conducting objects similar to that of the Company.
 3. Not be adjudged insolvent or bankrupt unless the situation of insolvency or bankruptcy has been abated pursuant to the provisions of the law.
 4. Not be convicted of a felony or dishonourable crime unless he has been rehabilitated.
 5. Not be unable to pay his debts to the Company if indebted to the same.
 6. Not be permitted to combine the position of the Chief Executive Officer/General Manager and the Chairman of the Board.
- C. No person may be a member of the Company's Board of Directors or a representative of a juristic person who was a member of the Board of Directors of more than four closed joint stock companies whose principal places of businesses are in the Sultanate of Oman. Nor may any person be the Chairman of the Board of Directors of more than two joint stock companies, or be a member of the Board of Directors of a public joint stock company and a closed joint stock company conducting similar objects and whose principal places of businesses are in the Sultanate of Oman.
- D. The Board members shall be appointed pursuant to the provisions of the Commercial Companies Law No. 4/74, as amended, and the Law for the Regulation and Privatisation of the Electricity and Related Water Sector.⁴

³ This clause has been amended by way of the contract amending the AoA in 2011.

⁴ This clause has been amended by way of the contract amending the AoA in 2014.



Article 15

Liability of the Members of the Board of Directors

- a) The members of the Board are liable to the Company, its shareholders and third parties for damages caused by their acts in violation of the law, acts beyond their scope of authority, any fraud or negligence in the performance of their duties and their failure to act as prudent men under certain circumstances.
- b) If the responsibility is attributed to more than one member in accordance with the above paragraph, it shall be the responsibility of the competent court to make each of the said members responsible for all or part of the damages in accordance with discretion of the competent court after considering the circumstances of the case.
- c) Any provisions or articles that limit the responsibility of the member of the Board of Directors shall be false and void. The company shall refund any member of the Board the expenses and costs incurred in any civil or criminal proceeding against them due to their liability being caused by their acts in the management of the Company, provided that the final judgment in such proceedings absolve the Director of liability.
- d) The provisions of Articles 109 and 110 of the Commercial Companies Law No. 4/74, as amended, shall be applicable in the event of violation and subject to the provisions provided for in Chapter 6 of the same law.

Article 16

Initiating Legal Proceedings against Members of the Board of Directors

Subject to the provisions provided for in Chapter 6 of the Commercial Companies Law No. 4/74, as amended, the Company shall have the right to initiate legal proceedings against any of the members of its Board of Directors who it regards as responsible for damages suffered in accordance with the provisions of the previous article. The decision shall be made by resolution of the Board of Directors or by Ordinary General Meeting to appoint someone who shall pursue the action on behalf of the Company and shall be delegated to pay the costs of the proceeding from the Company's funds. Each shareholder may propose prosecuting the members of the Board of Directors and if the Ordinary General Meeting does not accept their proposal, they shall have the right to initiate legal proceeding on behalf of the Company. If the proceeding succeeds, the costs and expenses of this proceeding must be repaid to the shareholder from the money awarded provided that the balance is paid to the Company.

Article 17

Date to Initiate Legal Proceedings against Members of the Board of Directors

No proceeding may be initiated against the Company's Directors or their heirs concerning their acts during their exercise of their functions unless such proceeding is initiated within a period of five years from the date on which the General Meeting is convened, during which the Board of Directors presented accounts of the Company's operations for the period that includes the act or omission forming the basis of the complaint filed against the Board member.



Article 18

Prohibiting the Participation of Members of the Board of Directors in the Management of Businesses Competitive to that of the Company

A member of the Board of Directors may not participate in the management of any business competitive to the Company's activities, except when so authorised by an Ordinary General Meeting, provided that such authorisation is renewed annually. A member of the Board, or any employee of the Company, may not exploit any information they receive due to their position or job in order to realise an interest for themselves, their minor children or their relatives up to the fourth degree due to dealing in the securities of the Company. Further, they may not have a direct or indirect interest with any party carrying out activities that might influence the price of securities issued by the Company. The provisions of Articles 8 and 107 of the Commercial Companies Law No. 4/74, as amended, shall be applicable in the event of violation, subject to the provisions of Article 133 of the Commercial Companies Law.

Article 19

Interests Pertaining to Members of the Board of Directors

A member of the Board of Directors, or other related parties of the Company, may not have any direct or indirect interest in transactions or contracts concluded by the Company. In exception of the above, certain transactions and contracts can be concluded, provided they are in accordance with the controls issued by a decision of the Capital Market Authority. Such decision shall define the related parties and the rules for disclosure of these transactions and contracts.

Article 20

Board of Directors Term of Office

- a) The term of office of a member of the Board of Directors shall be (3) years at most, and they may be re-elected more than once. The duration of the term of office shall be from the date of the General Meeting in which the election takes place until the date of the following third Annual General Meeting.
- b) If the third Annual General Meeting takes place after three years from date of election of the Board members, the duration of the membership shall be extended by law to the date of its convening, provided that the extension shall not exceed the period specified for the Annual General Meeting stipulated in Article 120 of the Commercial Companies Law No. 4/74, as amended.

Article 21

Seat Vacancy of a Member of the Board of Directors

If the seat of a Director, Chairman or Deputy Chairman becomes vacant, the vacant seat shall be filled pursuant to the provisions of the Commercial Companies Law No. 4/74, as amended, and the Law for the Regulation and Privatisation of the Electricity and Related Water Sector.⁵

⁵ This article has been amended by way of the contract amending the AoA in 2014.



Article 22
Quorum for Board Meetings

A meeting of the Board of Directors shall not be deemed valid unless at least half of its members are present or represented, provided that the Chairman or his representative is amongst them.⁶

Article 23
Quorum for Issuing Resolutions

The Board issues its resolutions by the relative majority of the present members. In the case of a tie, the Chairman shall have the casting vote. In cases other than the distribution of dividends, approval of budget, profit and loss account, Board and auditor's reports, the resolutions may be passed without the need for a meeting of the Board of Directors if majority of the Board members agree to the same in writing.

Article 24
Board of Directors Chairman Selection and Term of Office

The Chairman of the Board of Directors shall be appointed pursuant to the provisions of the Commercial Companies Law No. 4/74, as amended, and his term of office shall not exceed his term of office as a member of the Board, with the possibility of reappointment.⁷

Article 25
Meetings of Board of Directors

- A. The Chairman of the Board of Directors may call for meetings at any time, and must also call for meetings if requested by two or more of the Board members. If the Chairman is unable or unwilling to convene the meeting when so requested, the meeting may be convened by any two members of the Board.
- B. Board meetings shall be held at least four times a year, provided that a maximum period of four months should not lapse between any two consecutive Board meetings.

Article 26
Recording Board Minutes of Meetings

The Board's discussions and resolutions shall be maintained in minutes and recorded in a special register to be signed by the Chairman and the other members.

⁶ This article has been amended by way of the contract amending the AoA in 2014.

⁷ This article has been amended by way of the contract amending the AoA in 2014.



Article 27

Competences of the Board of Directors

The Board of Directors shall have the following competences:

- a) Approving the Company's commercial, financial and administrative policies together with its estimated budget with a view of achieving the objects of the Company and maintaining the rights of its shareholders and development thereof.
- b) Developing, reviewing and updating the necessary plans from time to time in order to execute the Company's objects and carry out its activities in light of the objects for which it has been established.
- c) Supervising the performance of the executive management and ensuring the proper functioning of the business in a manner that is in line the Company's objects in the light of the objects for which it has been established.
- d) Appointing the Chief Executive Officer or the General Manager of the Company, provided that neither of them shall be the Chairman of the Board of Directors, as well as appointing the employees working under either of them pursuant to the Company's organisational structure and specifying their competences and entitlements.
- e) Appraising the performance of the employees referred to in the previous clause and assessing the work carried out by committees formed by the Board pursuant to Article 102 of the Commercial Companies law No. 4/74, as amended.
- f) Adopting the financial statements related to the Company's business and work results as submitted by the executive management every three months, which reflects the correct financial position of the Company.
- g) Including in the annual report presented in the General Meeting the reasons that justify the ability of the Company to pursue its specified activities and achieve its objects.
- h) Appointing a secretary to the Board in its first meeting and to convene at least four meetings during the year, provided that the period between two meetings shall not exceed four months.
- i) Appointing the Managing Director or Executive Director, should such a post exists, provided that the said person should be committed to the Company's work on a fulltime basis.
- j) Including in the financial statements a full statement of all amounts that a Director has received from the Company during the year, including monies paid to Directors in their capacity as employees of the Company.
- k) The competences of the Board of Director provided above shall be subject to the provisions of Article 133 of the Commercial Companies Law No. 4/74, as amended.



Article 28
Power of the Board

The Board of Directors shall have widest powers to perform all acts required for the management of the Company pursuant to its objects and to implement the resolutions of the General Meeting. Such authority shall not be limited or restricted except as provided for by Commercial Companies Law No. 4/74, as amended, these Articles of Association or the resolutions of the General Meeting.

Article 29
Limitation of the Board Powers

The Board of Directors shall not perform the following acts except if authorised to do so by the resolution of a General Meeting:

- a) Make gifts, except business gifts in small and customary amounts.
- b) Sell all or a substantial part of the Company's assets.
- c) Mortgage or pledge the assets of the Company, except to secure debts of the Company incurred in the ordinary course of the Company's business.
- d) Guarantee debts of third parties, except guarantees made in the ordinary course of business pursuant to the Company's objects.

Article 30
Powers and Role of the Chairman

- A. The Chairman of the Board of Directors shall implement the Board resolutions and facilitate the normal businesses of the Company under the supervision and control of the Board of Directors.
- B. The Chairman or his representative shall represent the Company before judicial authorities and third parties.

Article 31
Delegation of the Board's Authority and Powers

The Board of Directors may, by an absolute majority of all its members and within the limits set for it, delegate its authority to committees formed by its executive members to undertake some of the acts referred to in Article 28 of these Articles of Association.

Article 32
Appointment of the Chief Executive Officer or the General Manager of the Company

The Board of Directors may appoint a Chief Executive Officer or a General Manager of the Company for the period and conditions that it deems fit and shall set his competences. The Board may empower the Chief Executive Officer or the General Manager with any authority (except payment of



instalments and borrowing unless in the ordinary course of business) in accordance with the conditions deemed fit by the Board.

Article 33

Right of Signing on Behalf of the Company

The Chairman of the Board of Directors and any other Director delegated by the Board for this purpose shall have the right to sign individually on behalf of the Company. The Board of Directors shall have the right to appoint several managers or authorised signatories and authorise them to sign on behalf of the Company individually or jointly.

Article 34

Registration of the Authorised Signatories and their Authorisations in the Commercial Register

The names and authorisations of the Board of Directors and other authorised signatories of the Company shall be registered in the Commercial Register.

Article 35

Remuneration of the Chairman and Members of the Board of Directors

- A. The Annual Ordinary General Meeting shall determine the remuneration and sitting fees of the Chairman and members of the Board of Directors and its sub-committees, provided that the aggregate remuneration payable does not exceed 5% of the net profits with a maximum limit of 200,000 Omani Rials for every year, and provided that the sitting fees for each member does not exceed 10,000 Omani Rials for every year, after deducting the legal and optional reserves in accordance with Article 106 of the Commercial Companies Law No. 4/74, as amended, and distributing not less than 5% of the profits as dividends to the shareholders.
- B. In the event that the Company does not achieve any profits or achieves profits that could not be set aside or distributed in full to the shareholders, the remuneration and sitting fees of the Chairman and the members of the Board of Directors and its sub-committees shall be in accordance with the controls issued by the Capital Market Authority or the Ministry of Commerce and Industry.
- C. The distributable profits shall be the net profits less any previous years' losses incurred in the Company's capital, which shall be fully extinguished.
- D. The report of the Board to the Ordinary General Meeting shall include a full statement of all amounts and benefits that each member has received during the year as remuneration or compensation for his services, as well as the amounts paid to the Directors in their capacity as Company's employees.

Article 36

Company Liability in respect of Acts by the Board of Directors

The Company shall be bound by all acts performed by its Board of Directors, its Chairman, Managers and all other supervisors, if any, when acting on behalf of the Company and within the scope of their



authority. Any bonafide third party shall be entitled to assume that any act performed by the Board of Directors, Chairman or Managers of the Company in pursuance of its business is within the scope of such person's authority and the Company shall be bound thereby unless the limitation of such person's authority is registered in the Commercial Register.

Article 37

Executive Management Liability

The executive management shall be liable for the following:

- a) To assist the Board of Directors in establishing plans provided that the contribution shall be based on the practical and field experiences, and to submit proposals of their own accord to the Board of Directors at the proper time in respect of the affairs that may have a material effect on the Company's performance.
- b) To comply with the laws, bylaws and regulations issued by the competent authorities.
- c) To apply the policies and recommendations of the Board of Directors.
- d) To develop professionally ideal behaviour by establishing and maintaining an appropriate practice of practical behaviour derived from a professional culture based on certain standards, and to ensure that the Company follows this practice.
- e) To comply with transparency and credibility in its complete and comprehensive reports regarding the operations of the Company.

General Meetings

Article 38

Formation of the General Meeting and Attendance thereof

- A. Each shareholder has the right to attend the General Meeting and shall have one vote for each share, which he holds even if he holds a temporary certificate in respect of the share.
- B. The shareholder has the right to delegate in writing any other person to represent him in attending the General Meeting and voting on its decisions and this delegation shall be valid only for one session.

Article 39

Convening of General Meeting by the Board of Directors

- A. The Board of Directors may convene a General Meeting at any time and shall be convened by the Board whenever required by law, these Articles of Association or upon request by one or more shareholders representing at least one fourth of the Company's capital.
- B. If the Board of Directors fails to convene a General Meeting, the auditors shall convene it. The invitation shall not be valid unless it includes the agenda after it has been approved by the Secretariat of the Commercial Register at the Ministry of Commerce and Industry, in two daily



newspapers and for two consecutive days at least. At the same time, a copy of the notice shall be sent to each shareholder by ordinary mail or delivered by hand to him or to his representative against his signature at least two weeks before the date specified for the meeting.

- C. The Secretariat of the Commercial Register shall be notified of the date of the General Meeting and the Secretariat may send an inspector to attend the meeting and supervise the formalities related to it and to ensure the compliance of the resolutions with the law. The minutes of the General Meeting shall be deposited with the Secretariat of the Commercial Register at the Ministry of Commerce and Industry after approval by the Chairman of the meeting, the auditors and the General Meeting Secretary within 15 days from the date of the Annual General Meeting.
- D. Any meeting that does not adopt such procedures and the timings shall be deemed void.

Article 40

Agenda of the General Meeting

- A. The Board of Directors, or, if the meeting is convened by the auditors, the auditors, shall establish the agenda of the General Meeting. The Board of Directors or the auditors as the case may be, shall include in the agenda any proposal by the shareholders representing more than 10% of the Company's capital, provided that the proposal is submitted for inclusion in the agenda at least one month prior to the date of the meeting.
- B. The General Meeting shall consider only matters contained in the agenda of the meeting, but may, in exceptional cases, consider any unanticipated and urgent matter brought before the meeting, and shall be done on the basis of a resolution adopted by a simple majority vote of the members present.

Article 41

Procedures during the Convening of the General Meeting

The General Meeting shall be chaired by the Chairman of the Company's Board of Directors, and if he is unable to attend, the meeting shall be presided over by its elected Deputy Chairman in accordance with the provisions of Article 103 of the Commercial Companies Law No. 4/74, as amended. If the General Meeting is convened by the auditors pursuant to Article 116 of the Commercial Companies Law No. 4/74, as amended, they must appoint a chairman to the meeting. The General Meeting shall appoint a secretary for the meeting, who shall prepare the minutes of the meeting, showing the proposed resolutions and the votes taken. Each shareholder or bondholder of the Company shall have the right to peruse these minutes at the head office of the Company.

Article 42

Competences of the Ordinary General Meeting

- A. An Ordinary General Meeting may discuss and take decisions on all matters that are, by law or by these Articles of Association, not reserved for the Board of Directors or the Extraordinary General Meeting.



- B. The Board of Directors shall submit to the Ordinary General Meeting a report containing adequate information on the course of business of the company, its financial and economic position, its balance sheet, information on the profit and loss account, information on the remuneration received by members of the Board of Directors, the auditors fees and its proposals regarding the distribution of profits. This report shall also include the auditor's report, their observations on the Board of Directors report and their proposals as regards the future of the Company, its development plans and the avoidance of risks. The Chairman of the Board of Directors shall sign the said documents.

Article 43

Annual Ordinary General Meeting

An Annual Ordinary General Meeting shall be held every year within three months after the end of the Company's financial year. Additional Ordinary General Meetings shall be convened when required by law or these Articles of Association, or whenever the need for such a meeting arises.

The agenda of the Annual General Meeting shall include:

- a) The consideration and approval of the report of the Board of Directors.
- b) The consideration of the auditor's report and approval of the balance sheet and profit and loss account.
- c) The declaration of dividends, provided that the dividends may be declared only out of net profits or out of optional reserves subject to the provisions of Article 106 of the Commercial Companies Law No. 4/74, as amended.
- d) The appointment of auditors and specifying their remuneration for the next financial year subject to the provision of the Financial Control of the State Law promulgated by Royal Decree No. 55/2000 and the provisions of the Commercial Companies Law No. 4/74, as amended.⁸

Article 44

Shareholder Perusal of the Company Budget, Profit and Loss Account and Reports of the Board and Auditors of the Company

- A. The Company's balance sheet, profit and loss account and the reports of the Board of Directors and auditors of the Company concerning the expired financial year shall be available for perusal by the shareholders and bondholders of the Company during business hours at the principal place of business of the Company at least two weeks before the date set for the Annual General Meeting.
- B. If any shareholder has been deprived of his right to inspect these documents, the decision approving these documents shall be null and void.

⁸ This clause has been amended by way of the contract amending the AoA in 2014.



- C. Any person shall have the right to obtain a copy of the Company's balance sheet, profit and loss account, reports of the Board of Directors and auditors of the Company in consideration of a reasonable fee to be determined by the Company's internal regulations.
- D. The Board of Directors shall publish the balance sheet, the profit and loss statement and a summary of the report of the Board of Directors in a local daily newspaper within one month of approval thereof by the Annual General Meeting.

Article 45

Quorum for Convening Ordinary General Meeting and Passing Resolutions

- A. The resolutions of the Ordinary General Meeting shall not be valid unless the meeting is attended by the shareholders personally or proxies representing at least half of the Company's capital. Failing such quorum, a second meeting shall be called to discuss the same agenda, and the second Ordinary General Meeting shall be notified to shareholders in the same manner as the first meeting at least one week prior to the date set for the second meeting.
- B. The resolutions of the second meeting shall be valid regardless of the number of shares represented, provided such second meeting is held within one month from the date of the first meeting.
- C. Resolutions of the Ordinary General Meeting shall be adopted by the simple majority of the votes cast in respect of a given resolution.

Article 46

Competences of Extraordinary General Meeting

The Extraordinary General Meeting is convened to consider and decide all matters which are, by law or by these Articles of Association, reserved for it.

The Extraordinary General Meeting may decide on the following:

- 1) Amending these Articles of Association, provided that such amendment shall not be effective until after it has been approved by the Director General of Commerce and registered in the Commercial Register.
- 2) Reducing or increasing the authorised capital of the Company.
- 3) Dissolution or merging of the Company with another company.
- 4) Selling all the assets of the Company or any material part thereof.
- 5) Converting the legal status of the Company.



Article 47

Quorum for Convening Extraordinary General Meeting and Passing Resolutions

- A. The resolutions of the Extraordinary General Meeting shall not be valid unless the meeting is attended by shareholders personally or by proxies representing at least three quarters of the Company's capital. Failing such quorum, a second meeting shall be called to discuss the same agenda. The Second Extraordinary General Meeting shall be notified to shareholders in the same manner as the first meeting at least two weeks prior to the date set for the second meeting. The resolution of the second meeting shall be valid if the meeting is attended by shareholders personally or by proxies representing more than half of the Company's capital, provided such meeting is held within six weeks from the date of the first meeting.
- B. Resolutions of the Extraordinary General Meeting shall be adopted by a majority of three quarters of the votes cast in respect of a given resolution, provided always that each resolution receives votes representing more than half of the Company's capital

Article 48

Adherence to General Meeting Resolutions Complaint with Provisions of the Law

Resolutions of the General Meeting duly adopted pursuant to the provisions of the law, these Articles of Association and the Company's internal regulations, if any, shall be binding on the Company and each of its shareholders, but shall not affect the rights of third parties only to the extent provided in the Commercial Companies Law No. 4/74, as amended. Any shareholder or other interested person may, within five years, from the General Meeting, apply to the competent court for an order declaring null and void any resolution adopted by such meeting in violation of the provisions of the law, these Articles of Association or the Company's internal regulations, or if any resolution was adopted as a result of fraud or misuse of authority by any person.

Article 49

Establishment of the Company Internal Regulation

The Board of Directors may prepare and adopt an internal regulation to regulate the Company's management and its business. The provisions of the internal regulation shall not be valid unless compliant with the provisions of the valid laws in the Sultanate of Oman and these Articles of Association. The internal regulation may only be amended through the Board of Directors.



Company Financial Regulation
Article 50
Determining Financial Year of the Company

The financial year of the Company shall commence on first January and shall end on 31 December of every year, except for the first financial year, which shall commence from the date of the incorporation of the Company and ends on 31 December of the same year if the Company is incorporated in the first half of the calendar year, so that the first financial year shall not be less than 6 months and not exceed 18 months.

Article 51
Company Books and Records

The Company shall hold its books of accounts reflecting its financial status in line with internationally accepted accounting principles. These books shall be kept in the head office of the Company, or in a place or places that the Board of Directors deem appropriate, provided that they are always available for perusal of the Board members.

Article 52
Preparation of Final Accounts and General Budget

Within two months after the end of the financial year, the Board of Directors shall prepare a balance sheet of the Company and a statement containing the profit and loss account after being audited by the Company's auditors, and which shall contain sufficient explanation of the most important items of revenue and expenditure during the financial year. The Board shall also prepare a report on the Company's operations during the expired financial year and on the net profits proposed to be distributed. Copies of all the above mentioned statements shall be sent to the Secretariat of the Commercial Register at the Ministry of Commerce and Industry at least two weeks prior to the Ordinary Annual General Meeting. Further, a copy of the balance sheet, the Board of Directors report and the auditor's report shall be sent to each shareholder together with the invitation to attend the Ordinary Annual General Meeting.

Article 53
Legal and Optional Reserves

- A. The Board of Directors shall set aside for every financial year ten percent of the net profits after taxes of the Company as a legal reserve until such time that the legal reserve amounts to at least one third of the Company's capital. The legal reserve may not be distributed to shareholders by way of dividends.
- B. The Ordinary General Meeting may establish optional reserves that do not exceed 20% of net profits for that year after deducting taxes and the legal reserve. The total deducted amount for the optional reserve shall not exceed half the capital of the Company.



Article 54
Payment of Dividends

Dividends shall be paid at such place and time as the Directors may specify and shall be payable to the shareholders whose names appear in the shareholders register maintained by the Company.

Article 55
Deposit of Company monies in Funds or Banks

The Company's monies shall be deposited in a bank or several banks to be determined by the Board of Directors, and the Board shall specify the maximum amount of monies to be retained in the fund.

The Auditors
Article 56
Appointment of Auditors

- A. The Company shall have an auditor who shall be appointed by the Annual Ordinary General Meeting based on a proposal by the Board of Directors, subject to the following:
1. Compliance with the provisions of the State Audit Law.
 2. The Board shall propose to the Annual General Meeting one of the auditing firms based on the recommendation of the Audit Committee.
- B. The auditor shall be appointed for one financial year and the same audit firm shall not be appointed for four consecutive years, and shall not be appointed thereafter except after the lapse of two consecutive years.
- C. The auditors shall be those authorised to practice the accountancy and auditing profession in accordance with the provisions of the law, and their remuneration shall be determined by the General Meeting.
- D. The auditors shall be independent from the Company and may not be founders, members of the Board or employees of the Company. Further, they shall not provide, on an ongoing basis, technical, administrative, consultative services to the Company or its affiliates, or provide additional services that are not included within the scope of their review and that may affect neutrality or independency.

Article 57
Entitlements and Duties of Auditors

- A. The auditors shall, at all times, have the right to examine all books, records and documents of the Company and to obtain all information they deem necessary for the proper performance of their functions.



- B. The auditors shall ensure that the balance sheet and profit and loss account are in conformity with the books and records of the Company and that these books and records are kept in accordance with generally accepted accounting principles.
- C. The external auditors shall, as part of their review, notify the shareholders about any material matters.
- D. The external auditors shall notify the Board about any discovered or suspected violations, and in case of a material violation, the auditors shall provide the regulatory authority with a copy of the report prepared to that effect.

Article 58
Auditors Report

- A. The auditors shall prepare a report to the Annual General Meeting showing the Company's financial position and the proposed distribution of dividends. It shall include their opinion whether the balance sheet and profit and loss account presented to the General Meeting reflects the Company's financial position in accordance with the recognised accounting principles. Any material change made to the accountancy principles that had been followed in the preparation of the expired financial year's balance sheet and profit and loss accounts must be stated in the auditor's report.
- B. If the auditor's report is not presented to the General Meeting or is not in conformance with the requirements of the previous paragraph, then the resolution of the Annual General Meeting approving the accounts shall be void.
- C. Where the auditor verifies, whilst performing their duties, the existence of a violation of the law or these Articles of Association, he shall notify the Company's management through the concerned auditor and, in the event of a serious violation, he shall inform the General Meeting of such violation.

Article 59
Liability of Auditors

The auditors shall be liable to the Company, the shareholders and third parties for damages caused by any fraudulent act committed by them in the performance of their duties and are liable to the Company and the shareholders for damages caused by their failure to fulfil their professional and technical duties sufficiently.



Company Dissolution and Liquidation

Article 60

Cases of Dissolution and Liquidation of the Company

- a) In case of the occurrence of any events that requires for dissolution of the Company stipulated in the Commercial Companies Law No. 4/74, as amended, an Extraordinary General Meeting shall be convened to consider the matter.
- b) If it has been decided that the Company is to be dissolved, the same shall be in accordance with the provisions of the Commercial Companies Law No. 4/74, as amended.

Final Provisions

Article 61

Legal Provisions Complementary to the Articles of Association

Subject to the provision of the Sector Law, the provisions of the Commercial Companies Law shall apply on any matters not covered by a special provision in these Articles of Association. Further, the Company shall apply all laws, regulations and rules applicable in the Sultanate of Oman.

Article 62

These Articles of Association shall be deemed to be an integral part of the Memorandum of Association and complementary thereto.

Article 63

These Articles of Association shall be signed and deposited pursuant to the Commercial Companies Law No. 4/74, as amended, and other applicable laws and regulations.

Signatures:

Chairman of the Board

Board member

Legal Advisor