



Policies & Procedures

Conduct of Shareholders' General Meetings

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Objective

The purpose of this manual is to provide guidelines to Shareholders on their effective participation in general meetings in accordance with the requirement of the Clause 5 of Third Principle of the Code of Corporate Governance, the Commercial Companies Law (Royal Decree 18/2019) (as amended) and the Executive Regulation Decision 27/2021 issued by the Capital Market Authority.

This manual shall be distributed to the Shareholders at the time of conduct of future general meetings of Al Batinah Power Company SAOG (the “Company”).

Table of Contents

Introduction	4
General Meeting	4
AGM and OGM.....	5
EGM.....	5
Assembly Timing and Quorum.....	7
Stakeholders of the General Meeting and their Roles	8
The Board of Directors	8
Chairperson of the meeting.....	9
The Auditor	9
The meeting's secretary.....	10
The Shareholders	10
The Regulators	11
General Meeting working mechanisms	11
<i>Agenda</i>	11
<i>Voting</i>	11
Effective Participation in General Meetings	11
Mechanism to Elect Members of the Board of Directors	12

Al Batinah Power Company SAOG (the “**Company**”) would like to clarify that this manual has been prepared by the Company to facilitate effective participation by its shareholders in general meetings. The manual does not constitute legal advice and is not intended to serve as a source of reference for any procedures or legal responsibilities.

Introduction

The Capital Market Authority seeks to facilitate positive interaction between public joint stock companies and its shareholders to better serve the interest of shareholders/ public. Based on the belief that general meetings are important in this regard, the Company has published this manual seeking to facilitate the shareholders’ role in general meetings in addition to raising their awareness in relation to corporate governance of public joint stock companies.

General meetings serve as a link between a public joint stock company’s shareholders and its board of directors. The general meetings discuss topics that require shareholders’ approval and issue its decisions based on such discussions. Thus, shareholders’ attendance and their effective participation in general meetings support a public joint stock company’s position in the capital market and raises its performance.

General Meeting

A public joint stock company’s board of directors invite shareholders to attend the general meetings to discuss topics that are related to such company, exchange ideas, give suggestions and emphasize the position of the company and its future challenges. As a result, effective interaction by the shareholders in general meetings would result in achieving a complete and enriched relationship between the Company’s management, its shareholders’ and all the other concerned parties.

Although there are different categories of general meetings, every shareholder, who owns shares in a public joint stock company, has the right to attend a general meeting of such public joint stock company. The shareholder can however, authorize in writing or electronically (proxy), another natural person to attend the general meetings on his/her behalf. General meetings may be classified according to the topics discussed in the agenda of such meetings as follows:

- Annual General Meeting (“**AGM**”)
- Ordinary General Meeting (“**OGM**”)
- Extraordinary General Meeting (“**EGM**”)

AGM and OGM

The AGM is to be convened at least once a year within ninety days from the end of the Company's financial year. The agenda of the annual general meeting shall include:

- Study and approval of the Board of Directors' Report on the activities of the company and its financial status during the expired financial year.
- study and approval of the Board of Director's report on the organization and management of the company, during the expired financial year.
- Study and approval of the Auditors report on the financial statements of the Company for the expired year
- Study and approval of the proposed distribution of dividends to the shareholders ;
- Election of the members of the Board of Directors (the "Board"), and removal thereof
- Appointment of auditors for the new financial year and the determination of their fees.
- approval of the remunerations and sitting fees of the members of the board of directors

The Board may convene an OGM at any time and such meeting shall be convened whenever required by the Commercial Companies Law (Royal Decree 18/2019) (as amended) (the "CCL") or the Company's articles of association, or upon request of one or more shareholders who represent at least ten percent of the capital of the Company, provided that the general meeting shall be convened within thirty (30) days at most of the date of the existence of the case of necessity or the submission of the request.

If the Board fails to convene a general meeting, then the external auditors of the Company (the "Auditors") shall do so within a period not exceeding thirty (30) days of the date of expiry of the aforementioned period.

The OGM looks into all the matters related to the Company with the exception of the matters that come under the jurisdiction of EGMs. Example of the jurisdictions of the OGM is consideration and approval of any Director's participation or interest in any activity, transaction or contract.

EGM

The EGM may be convened at any time during the year whenever the need arises.

No resolution of the Company shall be adopted regarding the following subjects except by an EGM:

1. Amendment of the articles of association of the Company. Such amendment shall not be effective until approved by the Concerned Body in accordance with the procedure specified by the Regulations and the company must file a copy of the amended articles of

association with the Registrar within fifteen (15) days of the date of approval thereof by the Concerned Body.;

2. Disposal of the fixed assets of the company or a part thereof, the value of which amounts to twenty five percent (25%) or more of the net value of the assets of the company.
3. conversion, merger, dissolution or liquidation of the company

Assembly Timing and Quorum

	Annual General Meeting/ Ordinary General Meeting	Extraordinary General Meeting
Who convenes a meeting	Board of Directors or Auditors if the Board fails to convene	Board of Directors or Auditor if the Board fails to convene
Time	AGM convened at least once a year within ninety days from the end of the Company's financial year. OGM to be convened whenever needed.	Whenever needed
Date	The period between the date of publication of the invitation and the date on which the meeting is held must be at least 15 days.	The period between date of publication of the invitation and the date on which the meeting is held must be at least 15 days.
Quorum	The attendance of a number of the shareholders, in person or represented by proxy, that represent at least 50% of the share capital. Resolution to be adopted by simple majority of votes in respect of a given resolution.	The attendance of a number of the shareholders, in person or represented by proxy, that represent at 75% of the share capital. Resolutions shall be adopted by a majority of three quarters of the votes cast in respect of a given resolution, provided always that more than half of all shares of the Company shall have voted in favour of the resolution.
In case the quorum wasn't complete (hold a second assembly meeting)	Second meeting is convened within 7 days from the first meeting date. The date of the second meeting shall be specified in the invitation sent for the first meeting Quorum of the second meeting is any percentage of shares of the Company. Resolution to be adopted by simple majority of votes in respect of a given resolution.	Second meeting is convened within 7 days from the first meeting date. The date of the second meeting shall be specified in the invitation sent for the first meeting The attendance of a number of the shareholders, in person or represented by proxy, that represent at least more than 50% of the share capital. Resolutions shall be adopted by a majority of three quarters of the votes cast in respect of a given resolution, provided always that more than half of all shares of the Company shall have voted in favour of the resolution.

Stakeholders of the General Meeting and their Roles



The Board of Directors

The Board is required to convene an AGM at least once a year and within ninety days from the end of the Company's financial year.

The Board's major responsibilities in general meetings are to:

- shall publish the notice and agenda on the Muscat Stock Exchange website, Company's official website, the electronic dissemination system and one Arabic daily newspaper at least 15 days before the date of the meeting. The invitation shall be sent at the same time by ordinary mail to each shareholder's address registered in the register of shareholders at least 15 days prior to the date fixed for the meeting;
- Facilitate the participation of shareholders in the general meetings;
- Verify that all the topics discussed in the general meeting are accompanied with enough detailed information that would help the shareholders in making their decisions and that the invitation Information and data, such as: Board of Directors Report and Financial Statements;
- State the items that include benefits for the related parties and explain this relationship;
- Provide the appropriate regulatory authority with a copy of the meeting minutes within 7 days from the day following the date of the meeting as well as provide the

shareholders the opportunity to access the approved minutes at its head office premises.

Chairperson of the meeting

The Chairperson manages and supervises the general meetings. His/her most prominent functions are:

- Announcing the required quorum for the meeting to be convened, in addition to declaring if the quorum was complete or not.
- Obtaining the shareholders' approval on nominating the secretary.
- Reading aloud the items of the meetings' agenda.
- Dealing with the shareholders' enquiries.
- Requesting the shareholders to vote on the items of the agenda for the general meeting.
- Explaining the procedures and the voting mechanism to the shareholders and asking the vote's collector to collect the ballots and sort them out.
- Reading aloud the voting results.
- Approving the minutes of the meeting. The minutes of the meeting should be signed by the meeting's Chairperson, Secretary, the Auditor and Legal Advisor.

Chairperson's Common Mistakes

- Demanding a vote before discussing the items on hand.
- Reading all the meeting's items without giving a chance for discussion.
- Failing to announce the quorum
- Announcing and declaring any news or significant events related to the Company without first disclosing the same to the Market.
- Allowing participation by a shareholder in some of the items where he/she is not allowed to participate in such as: exoneration or voting on an item of interest.

The Auditor

Auditors are called to be present in the AGMs. The role of Auditors during the annual general meetings is as follows:

- The Auditors shall attend the general meetings and express his/her opinion on matters related to his/her duties and shall respond to any query on the matters related to the financial statement they had audited.
- The Auditors, as part of their audit procedure, must report to the shareholders any significant concern(s) that come to their attention such as the following:
 - The adequacy and efficacy of the internal control system currently in place in the Company.
 - Ability of the Company to continue its operation.
 - Extent of coverage of the Company's regulations and bylaws, adequacy of such regulations and bylaws and compatibility with the Company's circumstances; and the degree of faithfulness in their implementation.

The meeting's secretary

The Chairperson of the meeting nominates the secretary. The functions of the secretary of a general meeting are as follows:

- Documenting the discussion in the meeting minutes;
- Preparing the final minutes and having them signed by the Chairman, Secretary, the Auditor and Legal Advisor.

The Shareholders

- Shareholders are allowed to actively participate and vote in the general meetings.
- It is a shareholder's fundamental right to vote. It cannot be revoked in any way.
- A shareholder has the right to discuss the topics listed in the agenda and ask questions related to them to the members of the Board and the Auditors in a manner that does not harm the Company. If the shareholder feels that the answer to his/her question is not satisfactory, he/she can seek further clarifications.
- A shareholder has the right to examine the approved minutes of the general meetings to be made available at Company's head office.
- A shareholder has the right to request the information that enables him to exercise his/her rights as a shareholder of the Company without any discrimination amongst the shareholders regardless of their shareholding percentage in the Company and ensuing voting rights.
- According to the CCL, the Shareholders have the right to nominate natural persons as proxy to attend and vote in the general meetings.
- A proxy may be from among the shareholders or from others. A proxy may also be on behalf of one or more shareholders. However, if it is on behalf of more than one shareholder, it must not be on behalf of more than five percent (5%) of the shares of the company, otherwise it shall be null and void.
- The shares owned by a shareholder and his/her minor children shall be exempt from such percentage.
- A member of the board of directors shall not represent a shareholder, or else the proxy will not be valid.
- Proxies shall be in accordance with the authorization card issued by MCDC attached with the notice save the shareholders who held shares in the company after the notice was sent, provided they prove the same.
- Copy of ID or residence card or passport shall be attached with the proxy card. If the

Common Mistakes

- Discussing topics that are not on the agenda such as inquiring about the first quarter's result before it is announced.
- Lack of commitment by shareholders regarding the meeting's dates and timing which leads to delay in convening the meeting and lack of participation in the voting being undertaken during the general meetings.

shareholder is a juristic person the proxy shall be signed by an authorized signatory and the company seal shall be fixed on it together with a copy of the commercial registration certificate and copy of the authorized signatory's ID.

- Where a shareholder or proxy attend after the commencement of the meeting, their attendance shall be recorded and they be allowed to vote on the resolutions they attended.

The Regulators

Representatives of the regulating authorities are responsible for the following:

- Ensuring that the relevant rules and regulations are complied with; and
- Monitoring minutes taken during the course of the general meeting.

General Meeting working mechanisms

Agenda

Article 166 of the CCL provides that the general meeting may consider only those matters set out in the agenda of the meeting. In exceptional cases, however, the meeting may consider any urgent matter brought during the meeting on the basis of a resolution of the general meeting adopted by a simple majority vote of those present.

Voting

Voting is considered the essential foundation that enables the shareholders to obtain their rights and participate in the deliberations and decision making in the general meetings. Voting to elect board members may be undertaken in two ways: statutory voting and cumulative voting. The voting method prevalent/ applicable in Oman is cumulative voting.

Effective Participation in General Meetings

A shareholder has an important role in the general meetings and involves participating and voting on the decisions presented to the meeting. Thus, the shareholder's participation in general meetings may be made more effective through:

- Appropriately preparing to attend and participate in the meeting by reading the Board of Directors' Report and the Company's financial statements before attending the meeting.
- Reviewing the meeting's agenda before the meeting and studying the items listed and the information made available.
- Benefiting from the opportunities available for discussion by asking questions at the meeting, provided that such questions do not damage the Company's reputation.
- Being aware of his/her rights as a shareholder of a public joint stock company and knowing the related rules and regulations.

Mechanism to Elect Members of the Board of Directors

- The term of the Board is 3 years.
- The Nomination and Remuneration Committee is responsible for assisting the general meeting in relation to the nomination of proficient candidates for election to the Board.

The Board members can be amongst the shareholders or non-shareholders.

Any person who wishes to nominate himself/herself to the Board of Directors should complete a candidacy form available with the Company or on CMA website. The completed forms should be delivered to the Company at least five days minimum prior to the date of the general meeting. Candidacy forms received after the statutory deadline shall not be accepted.

For more information, please don't hesitate to contact us on the following address:

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