

Sohar
international

Mandatory Convertible Bonds Prospectus



Sohar International Bank SAOG
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PROSPECTUS

Issue of up to 259,499,853 mandatory convertible bonds at a price of 102 Baisa per bond (including issue expenses of 2 Baisa per Bond), aggregating up to OMR 26,468,985

Long-Term Issuer Credit Rating

Moody's	Baa3	Stable
Fitch Ratings	BB+	Stable

Financial Advisor and Issue Manager

Sohar International Bank SAOG

Legal Advisor

Al Maamary Al Abri & Co. (MAQ Legal)

Statutory Auditor

KPMG LLC

Registrar, Paying Agent and Bondholders' Agent

Muscat Clearing and Depository SAOC

This Prospectus has been prepared in accordance with the applicable guidelines stipulated by the Financial Services Authority of Sultanate of Oman. This is an unofficial English version of the original prospectus prepared in Arabic and approved by Financial Services Authority vide its Administrative Decision no FSAP - 2026/562 dated 11 May 2026. In the event of any conflict between the English and Arabic versions of the prospectus, the Arabic version will prevail. The Financial Services Authority assumes no responsibility for the accuracy and adequacy of the statements and information contained in the Prospectus nor shall it have any liability for any damage or loss resulting from the reliance upon or use of any part of the same by any person.

This Prospectus is dated 11 May 2026



HIS MAJESTY
SULTAN HAITHAM BIN TARIK

"The past years saw the launch of Oman Vision 2040, the vision of all Omanis, and set their clear path towards the future. Thanks to the grace of Allah the Almighty, continuous progress was made towards the goals of this phase of the Renewed Renaissance, including improvement in many national and international indicators. This would not have been achieved without the solidarity and support extended by all the people of this country to the government's efforts and endeavors."

SPEECH OF HIS MAJESTY
SULTAN HAITHAM BIN TARIK

11 January 2025

IMPORTANT NOTICE TO INVESTORS

This Prospectus presents the relevant information in relation to the mandatory convertible bonds which are being issued to the shareholders of the Sohar International bank SAOG (the Issuer) as dividends in accordance with the decision of the extraordinary general meeting (EGM) held on 31 March 2026. This Prospectus does not constitute an offer to the public. As the securities are being offered to shareholders of the Issuer, the Prospectus is not intended to public circulation or distribution, whether within Oman or outside.

The Issuer and Issue Manager are jointly and severally responsible for the integrity and adequacy of the information contained in this Prospectus and confirm that, to their knowledge, no material information has been omitted, the omission of which would render this Prospectus misleading.

This Prospectus includes relevant information that is deemed important and neither includes any misleading information nor excludes any material information.

All investors should examine and carefully review this Prospectus to understand the nature of the securities which are the subject of this Prospectus.

It is noteworthy that no person has been authorized to make any statements or provide information on the Issuer or the Bonds other than the persons whose names are indicated herein. Where any person makes any statement or provides information, it should not be taken as authorized by the Issuer, the Issue Manager or the Legal Advisor.

ADDITIONAL POINTS TO BE NOTED

References to documents

All summaries of documents referred to in this Prospectus may not provide a complete summary of such documents, and statements in this Prospectus relating to such documents may not be exact reproductions of such documents or parts thereof and should not be relied upon as being comprehensive statements in respect of such documents.

Restrictions on distribution of this Prospectus

This Prospectus is for the exclusive use of the intended recipients to whom it is addressed and delivered, and it should not be circulated or distributed to third party(ies). It cannot be acted upon by any person other than to whom it has been specifically addressed. The Issuer and the Issue Manager require persons into whose possession this Prospectus comes, to inform them of and observe, all such restrictions.

Restrictions on use of information contained in this Prospectus

The information contained in this Prospectus may not be published, duplicated, copied or disclosed in whole or in part or otherwise used for any purpose other than in connection with the issuance of the Bonds, without the prior written approval of the Issuer and the Issue Manager other than the purpose it has been issued for.

Disclaimer of implied warranties

Save and except as required under applicable Omani law and regulations, no representation or warranty, express or implied, is given by the Issuer or the Issue Manager or any of their respective directors, managers, accountants, advisors, lawyers, employees or any other person as to the completeness of the contents of this Prospectus; or of any other document or information supplied after they are published; or that any such document has remained unchanged after the issue thereof.

Forward-looking statements

This Prospectus may contain certain "forward-looking statements". These forward-looking statements generally can be identified by the use of forward-looking terminology, including terms such as "aim", "anticipate", "believe", "expect", "estimate", "goal", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue", their negative, or other words or phrases of similar import. Similarly, statements that describe the Bank's strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual outcomes, including among other things, the Issuer's result of operations, financial condition, cash flows, liquidity, financial projections and growth to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from the Issuer's expectations include but are not limited to:

- inability to estimate future performance;
- inability of the Issuer to meet its debt service obligations;
- inability of the Issuer to meet its payment obligations;
- certain financing and/or operational and maintenance risks;
- access to adequate insurance to cover all potential losses;
- change in monetary and/or interest policies of the Sultanate of Oman, local and/or international inflation, local and/or international interest rates;
- fluctuations in foreign exchange rates, equity prices or other rates or prices;
- the performance of the financial markets in Oman;
- general political, economic and business conditions in the Sultanate of Oman which may have an impact on the Issuer's business activities;
- changes in laws and/or regulation and/or conditions that may have a bearing on the position of the Issuer's clients, and/or suppliers,

or the banking sector in the Sultanate of Oman; and

- increased competition in the banking sector in the Sultanate of Oman changes in the economic and/or financial conditions of the Issuer's clients, suppliers and the banking sector.

By their nature, certain market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains or losses could be materially different from those that have been estimated. None of the Issuer, the Issue Manager, or any of their respective affiliates have any obligation to update or otherwise revise any statements in this Prospectus to reflect circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition or differ.

The above list is not exhaustive and for a further discussion of factors that could cause actual results to differ, see the Chapter on Risk Factors of this Prospectus. The Issuer will adhere to the disclosure rules and regulations issued by the FSA, which includes making timely disclosure regarding the Issuer's results of operation. The Issuer advises investors to track the information or announcements made by it through the MSX website at www.msx.om in the event they purchase Bonds and become Bondholders.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in this Prospectus is derived from the Issuer's audited financial statements or its unaudited interim financial statements, in each case prepared in accordance with IFRS. Copies of the financial statements are available on MSX website or on the Issuer's website. The Issuer's financial year commences on 1 January and ends on 31 December. In this Prospectus, any discrepancy in any table between the total and the sum of the relevant amounts listed is due to rounding.

Currency of Presentation

In this Prospectus, all references to "OMR" and/or "Omani Rials" are to the legal currency for the time being of the Sultanate of Oman.



Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained from third-party industry publications and/or websites. Although it is believed that industry data used in this Prospectus is reliable, it has not been independently verified and therefore its accuracy and completeness is not guaranteed, and its reliability cannot be assured. Similarly, internal company reports, while believed to be reliable, have not been verified by any independent sources. The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

SELLING RESTRICTIONS OUTSIDE OF THE SULTANATE OF OMAN

Notice to residents of the Sultanate of Oman

The Prospectus has been filed with the FSA and the Bonds shall be governed by the Laws of Oman. The issuance has been approved by the FSA and the information contained in this Prospectus does not constitute (i) an offer to sell, or the solicitation of any offer to buy non-Omani securities in Oman as contemplated by Article 139 of the Executive Regulations of the Capital Market Law; or (ii) a public offer of securities in Oman as contemplated by the CCL or the Securities Law or the Bond and Sukuk Regulations.

Notice to residents of the Kingdom of Bahrain

In relation to investors in the Kingdom of Bahrain, the securities, which are the subject of this Prospectus and related offering documents may only be offered in registered form to existing account holders and accredited investors as defined by the Central Bank of Bahrain in the Kingdom of Bahrain where such investors make a minimum investment of at least US\$100,000, or any equivalent amount in other currency or such other amount as the Central Bank of Bahrain may determine.

This Prospectus does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article 81 of the Central Bank and Financial Institutions Law 2006 (Decree Law No. 64 of 2006). This Prospectus has not been and will not be registered as a prospectus with the Central Bank of Bahrain. Accordingly, no securities may be offered,

sold or made the subject of an invitation for subscription or purchase nor will this Prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors for an offer outside Bahrain.

The Central Bank of Bahrain has not reviewed, approved, or registered this Prospectus or related offering documents and it has not in any way considered the merits of the securities to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the Central Bank of Bahrain assumes no responsibility for the accuracy and completeness of the statements and information contained in this document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this document. No offer of the Bonds shall be made to the public in the Kingdom of Bahrain and this Prospectus must be ready by the addressee only and must not be issued, passed to, or made available to the public generally.

Notice to residents of the State of Kuwait

This Prospectus has not been reviewed by the Capital Markets Authority of Kuwait and is not issued by a person licensed by the Capital Markets Authority. Accordingly, this Prospectus may neither be circulated within the State of Kuwait nor may any Bonds be offered for subscription be sold, directly or indirectly, in the state of Kuwait. Moreover, no invitation or offer to subscribe for any of the Bonds may be made to persons, including for the avoidance of doubt, any legal entities, in the State of Kuwait. This Prospectus is not for general circulation in the State of Kuwait not shall the Bonds be sold by way of a public offering in the State of Kuwait. In the event that this Prospectus is forwarded to any person in the State of Kuwait, it should be disregarded, and no steps should be taken in reliance upon it. No person in the State of Kuwait may accept or subscribe for, or purport to accept or subscribe for, the Bonds.

Notice to the residents of the State of Qatar

The Bonds have not been and will not be offered, sold or delivered, at any time, directly or indirectly

in the State of Qatar in a manner that would constitute a public offering. No application has been or will be made for the Bonds to be listed or traded on the Qatar Exchange (QE) or the QE Venture Market. This Prospectus has not been, and will not be, reviewed or approved by or registered or filed with the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or the Qatar Central Bank in accordance with their regulations or any other regulations in the State of Qatar. This Prospectus is intended for the original recipient only and must not be provided to any other person. This Prospectus is not for general circulation in the State of Qatar and may not be reproduced or used for any other purpose.

Notice to the residents of the Kingdom of Saudi Arabia

This Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Saudi Arabian Capital Market Authority (the "SAMA"). The SAMA does not make any representations as to the accuracy or completeness of this Prospectus and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus. The investors should conduct their own due diligence on the accuracy of the information relating to the Bonds. If an investor does not understand the contents of this Prospectus, he or she should consult an authorized financial advisor.

Notice to the residents of the United Arab Emirates (excluding the Dubai International Financial Centre)

This Prospectus is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose.

By receiving this Prospectus, the person or entity to whom it has been issued understands, acknowledges and agrees that neither the Bonds nor this Prospectus have been approved by the UAE Central Bank, the UAE Ministry of Economy and Planning, the UAE Securities and Commodities Authority or any other authorities in the United Arab Emirates. The Issue Manager has not received authorization or licensing from the UAE Central



Bank, the UAE Ministry of Economy and Planning, the UAE Securities and Commodities Authority or any other authorities in the United Arab Emirates to market or sell the Bonds within the United Arab Emirates. No marketing or offer of the Bonds has been or will be made from within the United Arab Emirates and no purchase of the Bonds may or will be consummated within the United Arab Emirates. It should not be assumed that the Issue Manager is a licensed broker, dealer or investment advisor under the laws applicable in the United Arab Emirates, or that they advise individuals resident in the United Arab Emirates as to the appropriateness of investing in or purchasing or selling securities or other financial products. The Bonds may not be offered or sold directly or indirectly to the public in the United Arab Emirates. This Prospectus does not constitute a public offer of securities in the United Arab Emirates in accordance with the UAE Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise.

Nothing contained in this Prospectus is intended to constitute investment, legal, tax, accounting or other professional advice. This Prospectus is for your information only and nothing in this Prospectus is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice rendered on the basis of your situation.

Notice to residents in other Jurisdictions

Should the Prospectus be received by any person in any jurisdiction not mentioned in the above, the receiving party should disregard the Prospectus in cases where the receipt of the Prospectus or its distribution is, or may be, unlawful. The Issue Manager requires persons into whose possession the Prospectus comes, to inform themselves of and observe, all relevant investing restrictions in their jurisdiction. The Issue Manager does not accept any legal responsibility for any violation of any such restrictions on the sale, offer to sell or solicitation to subscribe for the Bonds by any person, whether or not a prospective investor, in any jurisdiction outside Oman where such sale, offer to sell or solicitation to purchase would be unlawful.

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CHAPTER 1: ABBREVIATIONS AND DEFINITIONS

ACCELERATED MANDATORY CONVERSION DATE	The date on which the Conversion shall take place as specified in the Accelerated Mandatory Conversion Notice, which date shall be no later than 30 days (or such earlier date if instructed by the CBO) after the date of the Accelerated Mandatory Conversion Notice.
ACCELERATED MANDATORY CONVERSION EVENT	Means: a) An Event of Default, as set out in item 38 of this table; b) Capital Event, as defined in item 24 of this table; or c) Tax Event, as defined in item 99 of this table.
ACCELERATED MANDATORY CONVERSION NOTICE	Has the meaning given to it in Condition 4.2 (<i>Accelerated Mandatory Conversion Notice</i>).
ADDITIONAL TIER 1 CAPITAL	The capital qualifying as, and approved by the CBO as Additional Tier 1 Capital in accordance with the Laws of Oman.
ALLOTMENT	The Bonds will be exclusively allotted to Shareholders whose name is present in the shareholders registry maintained by MCD as on the Allotment Record Date.
ALLOTMENT RATIO	1 Bond of nominal value of 100 Baisa to be issued for every 25.5 Shares held by the Shareholder on the Allotment Record Date.
ALLOTMENT RECORD DATE	The EGM Date i.e. 31 March 2026.
APPLICABLE REGULATORY CAPITAL REQUIREMENTS	Any requirements contained in the Capital Regulations for the maintenance of capital from time to time applicable to the Bank, including those issued by the FSA and the CBO, together with any transitional rules and waivers granted in connection thereto.
ARTICLES	The articles of Association of the Bank as registered with MOCIIP and FSA, as may be amended from time to time.
AUTHORIZED SIGNATORIES	The persons registered as authorized signatories from time to time on the Bank's commercial registration certificate registered with the MOCIIP.
BAISA	One thousandth of Omani Rial (1000 Baisa = 1 Omani Rial)
BANKING LAW	The Banking Law of Oman promulgated by Royal Decree 2/2025, as amended.
BASEL COMMITTEE	The Basel Committee on Banking Supervision.
BASEL III	The reforms to the international regulatory capital framework issued by the Basel Committee as part of a package of new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for international credit institutions (including guidance on the eligibility criteria for tier 1 capital instruments and tier 2 capital instruments).
BOARD / BOARD OF DIRECTORS	The Bank's Board of Directors elected in accordance with the Articles, the CCL, and all applicable rules & regulations issued by the FSA.



BOND AND SUKUK REGULATIONS	Means the regulations governing bonds and Sukuk issued pursuant to FSA decision E/21/2024, as may be amended, supplemented, or restated from time to time.
BONDS	The mandatory convertible unsecured subordinate bonds issued by the Bank under this Prospectus as Additional Tier 1 Capital, having a nominal value of 100 Baisa per Bond
BONDHOLDER(S)	A holder of a Bond issued by the Bank pursuant to the issuance in this Prospectus.
BONDHOLDERS' AGENT	The MCD or any successor body thereto and includes all persons who may be appointed Bondholders' Agent under the terms of the Declaration of Agency to act for and on behalf of the Bondholders as their representative
BONDHOLDERS' REGISTER	The registers maintained by the MCD listing the details of the Bonds and the Bondholders.
BONDHOLDERS' RESOLUTION	A resolution passed at a meeting of the Bondholders, duly convened and held in accordance with the provisions of the Declaration of Agency and in accordance with the applicable provisions of the CCL and the Regulations Governing Bonds & Sukuk.
BUSINESS DAY	Any day on which banks and the Registrar are open for general business in Oman.
CAPITAL EVENT	Is deemed to have occurred if the Bank is notified in writing by the Regulator to the effect that the outstanding principal amount (or the amount that qualifies as regulatory capital, if some amount of the Bonds are held by the Bank or whose purchase is funded by the Bank) of the Bonds would cease to qualify, in full, for inclusion in the consolidated Tier 1 Capital of the Bank (save where such non-qualification is only as a result of any applicable limitation on the amount of such capital)
CAPITAL REGULATIONS	At any time, the regulations, requirements, guidelines and policies relating to capital adequacy then in effect in the Sultanate of Oman, including those of the Regulator (which shall include, without limitation, the Regulator's CP-1 Guidelines on regulatory capital under Basel III issued via the CBO circular BM1114 dated 17 November 2013 and CBO circular BSD/2017/BKUP/Banks/16 dated 16 January 2017); and any other amendments thereof.
CBO	The Central Bank of Oman.
CCL	Commercial Companies Law of the Sultanate of Oman promulgated by Royal Decree 18/2019 as may be amended, supplemented, or restated from time to time.
COMMON EQUITY TIER 1 CAPITAL	Capital qualifying as, and approved by the Regulator as, Common Equity Tier 1 Capital in accordance with the Capital Regulations and, as Common Equity Tier 1 Capital as implemented in the Applicable Regulatory Capital Requirements at such time.
CONDITIONS	The terms and conditions of the issue of Bonds as set out in Chapter 4 of this Prospectus.



CONVERSION	The exchange in whole (as determined by the Issuer in consultation with the CBO or as the CBO may, in its sole discretion, direct) of the Bonds (together with any amounts due and payable under such Bonds) into Ordinary Shares, calculated based on the Conversion Ratio.
CONVERSION DATE	The 2 nd anniversary of the Issue Date
CONVERSION RATIO	At the Conversion Date, the Bonds shall be converted into Ordinary Shares at a fixed conversion price of 160 Baisa per share.
DAY-COUNT FRACTION	The number of days in the relevant period divided by 365 or 366 in case of a leap year (including the first such day but excluding the last).
DECLARATION OF AGENCY	The agreement between the Issuer and MCD for the purpose of appointing MCD as the Bondholders' Agent.
DIRECTOR	The member of the Board of Directors of the Bank.
DISTRIBUTABLE ITEMS	The Bank's accumulated and realized profits (to the extent not previously distributed or capitalized), less accumulated losses, all as set out in the most recent financial statements of the Bank as announced through the MSX website.
DIVIDEND STOPPER DATE	Has the meaning given to it in Condition 6.4.

EVENT OF DEFAULT	<p>Means:</p> <p>(a) Non-payment: the Bank fails to pay an amount in the nature of principal or interest due and payable by it pursuant to the Conditions and the failure continues for a period of seven (7) days in the case of principal and fourteen (14) days in the case of interest (save in each case where such failure occurs solely as a result of the occurrence of a Non Payment Event or the Bank making a Non-Payment Election); or</p> <p>(b) Insolvency: a final determination is made by a court or other official body that the Bank is insolvent or bankrupt or unable to pay its debts; or</p> <p>(c) Winding-up: a liquidator is appointed, an order is made by a court of competent jurisdiction or an effective resolution passed for the winding-up or dissolution or liquidation of the Bank or the Bank shall apply or petition for a winding-up or liquidation in respect of itself or cease, or through an official action of its board of directors threaten to cease, to carry on all or substantially all of its business or operations, in each case except:</p> <p>(i) for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation on terms approved by a resolution passed by the holders of the Bonds in accordance with the procedures set out in the Conditions;</p> <p>(ii) for any step or procedure which is part of a solvent reconstruction or amalgamation approved by any court of competent jurisdiction or other competent authority; or</p> <p>(iii) arising as a result of a merger or amalgamation with another financial institution; or</p> <p>(d) Analogous Event: any event occurs which under the laws of the Sultanate of Oman has an analogous effect to any of the events referred to in paragraph (b) or (c) above.</p> <p>References in subparagraph (b) (Insolvency) above to debts shall be deemed to include any debt or other financing arrangement issued (or intended to be issued) in compliance with the principles of <i>Shari'a</i> and which is treated as debt for the purposes of applicable law, in each case whether entered into directly or indirectly by the Bank.</p> <p>An Event of Default is, amongst others, an Accelerated Mandatory Conversion Event.</p>
EXECUTIVE REGULATIONS OF THE CAPITAL MARKET LAW	The Executive Regulations of the Capital Market Law issued pursuant to FSA decision no. 1/2009, including any amendments thereto.
FINANCIAL ADVISOR AND ISSUE MANAGER	Sohar International Bank SAOG.
FINANCIAL YEAR	The financial year of the Bank commencing on 1 January and ending on 31 December or as may be amended by a resolution of the Shareholders in accordance with the Articles.

FIRST INTEREST PAYMENT DATE	6 months from the Issue Date or the first Business Day immediately following such date if it falls on an official holiday.
FSA	The Financial Services Authority of Oman.
GCC	The Gulf Cooperation Council and its member states.
GOVERNMENT	Government of the Sultanate of Oman.
IFRS	The International Financial Reporting Standards.
INTEREST PAYMENT AMOUNT	The amount of interest payable, subject to Condition 6 (<i>Interest Restrictions</i>) and Condition 7 (<i>Payments</i>), on each Interest Payment Date.
INTEREST PAYMENT DATE	The dates falling 6 months, 12 months, 18 months and 24 months after the Issue Date, provided that where an Interest Payment Date does not fall on a Business Day then such Interest Payment Date shall instead fall on the next following Business Day.
INTEREST PAYMENT RECORD DATE	<p>The date falls six (6) days (or any other period stipulated by MCD) prior to the relevant Interest Payment Date, provided that where such date is not a Business Day then the Interest Payment Record Date shall instead fall on the next following Business Day.</p> <p>Interest payment in respect of the Bonds will be made in Omani Rials to each Bondholder appearing in the Bondholders' Register at the close of business on the Interest Payment Record Date.</p>
INTEREST PERIOD	Means the period from and including the Issue Date to, but excluding, the First Interest Payment Date, and each successive period from and including an Interest Payment Date to but excluding the next Interest Payment Date.
INTEREST RATE	5.25% per annum.
ISSUE	Means the issue of 259,499,853 Bonds under this Prospectus.
ISSUE DATE	14 May 2026
ISSUE PRICE	102 Baisa per Bond (which amount shall include an issue expense of 2 Baisa per Bond).
ISSUER / BANK	Sohar International Bank SAOG.
JUNIOR OBLIGATIONS	<p>Means:</p> <p>a) all claims of the Shareholders in respect of Ordinary Shares;</p> <p>b) any other present or future payment obligations of the Bank in respect of its Other Common Equity Tier 1 Instruments that rank or are expressed to rank junior to the Bonds; and</p> <p>c) any other present or future payment obligations that rank or are expressed to rank junior to the Bonds.</p>
LAWS OF OMAN	The laws of the Sultanate of Oman in the form of Royal Decrees, Ministerial Decisions, CBO regulations, FSA regulations etc. as the same may have been, or may from time to time be enacted, amended or re-enacted or issued.
MCD	Muscat Clearing and Depository SAOC.
MOCIIP	The Ministry of Commerce and Industry and Investment Promotion.

MSX	The Muscat Stock Exchange SAOC.
NON-PAYMENT ELECTION	An election by the Bank that Interest Payment Amounts shall not be paid to the Bondholders on any Interest Payment Date.
NON-PAYMENT EVENT	Means that: <ul style="list-style-type: none"> a) the Interest Payment Amount payable, when aggregated with any distributions or amounts payable by the Bank on any Pari Passu Obligations, having the same dates in respect of payment of such distributions or amounts as, or otherwise due and payable on, the dates for payment of Interest Payment Amounts, exceed, on the relevant date for payment of such Interest Payment Amounts, Distributable Items; b) the Bank is, on that Interest Payment Date, in breach of the Applicable Regulatory Capital Requirements (including any payment restrictions due to a breach of capital buffers imposed on the Bank by the Regulator) or payment of the relevant Interest Payment Amount would cause it to be in breach thereof; or c) the Regulator requires that the Interest Payment Amount due on that Interest Payment Date shall not be paid.
NON-VIABILITY EVENT	Means that: <ul style="list-style-type: none"> (a) the Regulator has notified the Bank in writing that it has determined that the Bank is, or will become, Non-Viable without a Write-down; or (b) a decision is taken to make a Public Sector Injection of capital (or equivalent support) without which the Bank is, or will become, Non-Viable, <p>whichever is earlier.</p> <p>And for the avoidance of doubt, at any point where the CBO has determined that a Public Sector Injection is required, the Write-down shall be full and permanent, and shall occur prior to any Public Sector Injection of such capital or equivalent support.</p>
NON-VIABILITY EVENT WRITE-DOWN DATE	The date on which the Write-down will take place as specified in the Non-Viability Notice, which date shall be no later than 10 Business Days (or such earlier date as determined by the Regulator) after the date of the Non-Viability Notice
NON-VIABILITY NOTICE	Has the meaning given to it in Condition 9.2.
NON-VIABLE	In relation to the Bank, means: <ul style="list-style-type: none"> (a) insolvent, bankrupt, unable to pay a material part of its obligations as they fall due or unable to carry on its business, or (b) any other event or circumstance which is specified as constituting non-viability by the Regulator or as is set out in the applicable banking regulations.
OBLIGATIONS	The payment obligations of the Bank under the Bonds.
OMAN	The Sultanate of Oman.
OMANI RIAL / OMR	The lawful currency of Oman.

OTHER COMMON EQUITY TIER 1 INSTRUMENTS	The securities issued by the Bank that constitute Common Equity Tier 1 Capital of the Bank other than Shares.
PARI PASSU OBLIGATIONS	All subordinated payment obligations of the Bank which rank, or are expressed to rank, pari passu with the Obligations.
PAYING AGENT	The MCD or any successor body thereto and includes all persons who may be appointed as paying agent under the terms of the Paying Agent Agreement.
PAYING AGENT AGREEMENT	The paying agent agreement between the Bank (as Issuer) and MCD (as Paying Agent) dated on or around the Issue Date.
PROSPECTUS	This prospectus, as approved by the FSA.
PUBLIC SECTOR INJECTION	The decision to make a public sector injection of capital into the Bank, or equivalent support pursuant to the relevant Capital Regulations.
QUALIFYING TIER 1 INSTRUMENTS	The instruments that satisfy the criteria of Qualifying Tier I Capital Instruments pursuant to the criteria set out in the "Guidelines on Regulatory Capital under Basel III" circulated by the CBO in the CBO circular No BM 1114 dated 17 November 2013.
REGISTRAR	The MCD or any successor body thereto and includes all persons who may be appointed as registrar under the terms of the Registrar Agreement.
REGISTRAR AGREEMENT	The registrar agreement between the Bank (as Issuer) and MCD (as Registrar) dated on or around the Issue Date.
REGULATOR	The CBO or any successor entity having primary bank supervisory authority with respect to the Bank in Oman.
SECURITIES LAW	The Securities Law promulgated by Royal Decree 46/2022, as may be amended, supplemented, or restated from time to time.
SENIOR OBLIGATIONS	Means: <ul style="list-style-type: none"> a) the deposit holders, general creditors; b) holders of Tier 2 subordinated debt/bonds/sukuk of the Bank; c) all unsubordinated payment obligations of the Bank; and, d) all subordinated payment obligations (if any) of the bank to which the Obligations rank, or are expressed to rank, junior.
SHARES / ORDINARY SHARES	The ordinary shares of nominal value of 100 Baisa of the Bank.
SHAREHOLDERS	The shareholders of the Bank.
SUBSCRIBERS / INVESTORS	Subscribers for the Bonds, being all Shareholders of the Issuer who hold Ordinary Shares on the Allotment Record Date.
SME	Small and medium enterprises.

TAX EVENT	On the occasion of the next payment due under the Bonds, the Bank has or will become obliged to pay additional amounts of tax, over and above the current withholding tax rate of 10% (whether or not a Non-Payment Event has occurred or a Non-Payment Election has been made), as a result of any change in, or amendment to or interpretation of, the laws, published practice or regulations of the Sultanate of Oman or any change in the application or interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date and such requirement cannot be avoided by the Bank taking reasonable measures available to it
TIER 1 CAPITAL	Capital qualifying as, and approved by the Regulator as, tier 1 capital in accordance with the Capital Regulations.
TIER 2 CAPITAL	Capital qualifying as, and approved by the Regulator as, tier 2 capital in accordance with the Capital Regulations.
WRITE-DOWN	<p>Means that:</p> <p>(a) the Bonds shall be cancelled (in the case of a write-down in whole) or written down in part on a <i>pro rata</i> basis (in the case of a write-down in part) as determined by the Bank in conjunction with the Regulator in accordance with the Capital Regulations; and</p> <p>(b) all rights of any holder of Bonds for payment of any amounts under or in respect of the Bonds (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Event of Default) shall, as the case may be, be cancelled in whole or written-down in part <i>pro rata</i> among the holders of the Bonds and, in each case, not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Notice or the Non-Viability Event Write-down Date and even if the Non-Viability Event has ended.</p> <p>For the avoidance of doubt, with respect to paragraphs (a) and (b) of this definition, the Write-down will be full and permanent where the Regulator has determined, under paragraph (b) in the definition of "Non-Viability Event", that a Public Sector Injection of capital or equivalent support is required and shall occur prior to any Public Sector Injection of such capital or equivalent support.</p>

Interpretations

In this Prospectus:

- Headings and underlining are for convenience only and do not affect the interpretation of the Prospectus.
- Words importing the singular include the plural and vice versa.
- An expression importing a natural person includes any juristic person.
- In case a day on which an action or event is required to take place pursuant to the Conditions falls on a day that is not a Business Day, then that action or event will take place immediately on the following Business Day.

CHAPTER 2: CREDIT RATING OF THE ISSUER

Issuer Rating

Issuer ratings are opinions of rating agencies of the ability of entities to honor senior unsecured debt and debt like obligations. As such, issuer ratings incorporate any external support that is expected to all current and future issuance of senior unsecured financial obligations and contracts, such as explicit support stemming from a guarantee of all senior unsecured financial obligations and contracts, and/or implicit support for issuers subject to joint default analysis (e.g. government-related issuers). Issuer ratings do not incorporate support arrangements, such as guarantees, that apply only to specific (but not to all) senior unsecured financial obligations and contracts.

The Issuer has been assigned the following long-term ratings:

Rating Agency	Rating	Outlook	Date of last revision
Moody's	Baa3	Stable	July 2025
Fitch Ratings	BB+	Stable	December 2025

About Moody's

Moody's is a leading provider of credit ratings, research, and risk analysis. The firm's ratings and analysis track debt covering sovereign nations, corporate issuers, public finance issuers and structured finance obligations.

GLOBAL LONG-TERM RATING SCALE

Category	Brief description
Aaa	Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk.
Aa	Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.
A	Obligations rated A are judged to be upper-medium grade and are subject to low credit risk.
Baa	Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.
Ba	Obligations rated Ba are judged to be speculative and are subject to substantial credit risk.
B	Obligations rated B are considered speculative and are subject to high credit risk.
Caa	Obligations rated Caa are judged to be speculative of poor standing and are subject to very high credit risk.
Ca	Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
C	Obligations rated C are the lowest rated and are typically in default, with little prospect for recovery of principal or interest.



Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

GLOBAL SHORT-TERM RATING SCALE

Category	Brief description
P-1	Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.
P-2	Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.
P-3	Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short-term obligations.
NP	Issuers (or supporting institutions) rated Not Prime do not fall within any of the Prime rating categories

About Fitch Ratings

Fitch is a leading provider of credit ratings, research, and risk analysis. The firm's ratings and analysis track debt covering sovereign nations, corporate issuers, public finance issuers and structured finance obligations.

ISSUER DEFAULT RATINGS

Category	Brief description
AAA	Highest credit quality 'AAA' ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	Very high credit quality 'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	High credit quality 'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
BBB	Good credit quality 'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.
BB	Speculative 'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the service of financial commitments.



B	Highly speculative 'B' ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.
CCC	Substantial credit risk Very low margin for safety. Default is a real possibility.
CC	Very high levels of credit risk Default of some kind appear probable.
C	Near default A default or default-like process has begun, or for a closed funding vehicle, payment capacity is irrevocably impaired.
RD	Restricted default 'RD' ratings indicate an issuer that in Fitch's opinion has experienced an uncured payment default or distressed debt exchange on a bond, loan or other material financial obligation, but has not entered into bankruptcy filings, administration, receivership, liquidation, or other formal winding-up procedure, and has not otherwise ceased operating.
D	Default 'D' ratings indicate an issuer that in Fitch's opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure or that has otherwise ceased business, and debt is still outstanding.

CHAPTER 3: SUMMARY OF THE ISSUE

Issuer	Sohar International Bank SAOG, a public joint stock company registered under the laws of the Sultanate of Oman.
Commercial Registration Number	1014333 (established on 4 March 2007)
Registered address	PO Box 44, PC 114, Hai Al Mina, the Sultanate of Oman
Bank's duration	Unlimited
Investors	All shareholders of the Bank who hold Ordinary Shares on the Allotment Record Date.
Authorized share capital	OMR 1,000,000,000
Issued share capital	The issued share capital of the Bank is OMR 702,508,187, which is equivalent to 6,617,246,270 shares.
Credit rating of the Issuer	The Bonds are not rated. However, the Bank is rated as under – Long-term Issuer Rating of BB+ (stable outlook) by Fitch Ratings in December 2025. And Long-term Issuer Rating of Baa3 (stable outlook) by Moody's in July 2025.
Denomination	Omani Rial (OMR)
Nature of securities offered	Mandatory convertible bonds
Issue route	Distribution of 1 Bond for every 25.5 Ordinary Shares held by the Shareholders on the Allotment Record Date to be fully paid up as a dividend out of the retained earnings of the Issuer
Issue size	Issuance of 259,499,853 Bonds at an issue price of 102 Baisa per Bond (including issue expense of 2 Baisa per Bond), aggregating to OMR 26,468,985
Issue price	Baisa 102 per Bond (which amount shall include an expense of 2 Baisa per Bond)
Nominal value of each Bond	100 Baisa per Bond.
Allotment Ratio	1 Bond of nominal value of 100 Baisa to be issued for every 25.5 Shares held by the Shareholder on the Allotment Record Date
Purpose of the issue	The Issue will be fully paid up as a dividend to Shareholders of the Issuer who hold Ordinary Shares on the Allotment Record Date, on the basis that one Bond will be issued to each Shareholder of the Issuer for every 25.5 Ordinary Shares (rounded down) held by such Shareholder on the Allotment Record Date. Therefore, the Issuer will not receive any additional proceeds from the Issue.
Issue Date	14 May 2026.
Listing of Bonds	The Bonds will be listed on the MSX. Upon conversion of the Bonds to Ordinary Shares, the Ordinary Shares will be listed on the MSX.

Approval of the Issue	Resolutions of Board of Directors of the Issuer dated 29 January 2026. Resolutions of the Shareholders at the extraordinary general meeting dated 31 March 2026. In-principal approval received from the CBO vide its letter no. SD/CPOC/2026/SIB/87 dated 10 March 2026. Approval received from the FSA vide its Administrative Decision No FSAP - 2026/562 dated 11 May 2026.
Form of the Bonds	The Bonds shall be issued in dematerialized form and MCD shall act as the Registrar to the Bonds and maintain a register setting out the names and addresses of the Bondholders and the number of Bonds held by them respectively. The administration of registration of transfers of Bonds shall also be maintained by MCD.
Interest Rate	Subject to the "Non-Payment Events and Non-Payment Elections" term below, the Bonds will bear interest from (and including) the Issue Date to (but excluding) the Conversion Date at a rate of 5.25% per annum on the outstanding principal (nominal) amount of the Bonds, payable semi-annually (365/366) in arrears out of Distributable Items.
Interest Payment Dates	Semi-annual, In May and November.
Interest Payment Amount	The amount of interest payable, subject to Condition 6 (<i>Interest Restrictions</i>) and Condition 7 (<i>Payments</i>), on each Interest Payment Date.
Status of the Bonds	The payment obligations of the Bank under the Bonds will: <ul style="list-style-type: none"> a) constitute Additional Tier 1 Capital of the Bank; b) constitute direct, unsecured, unconditional and subordinated obligations of the Bank that rank pari passu inter se the Bonds; c) rank subordinated to the claims of the Bank's depositors and general creditors and the holders of other subordinated debt / sukuk of the Bank; d) rank pari passu with Pari Passu Obligations and other perpetual subordinated bonds and other mandatory convertible bonds (Additional Tier 1 Capital Instruments); and e) rank in priority only to claims of the holders of Ordinary Shares and other Junior Obligations of the Bank. <p>The Bonds are not secured nor covered by a guarantee of the Bank or a related entity or other arrangement legally or economically enhancing the seniority of the claim vis-à-vis depositors, general creditors and holders of other subordinated debt / sukuk of the Bank to which the obligations rank junior.</p>

<p>Non-Payment Events and Non-Payment Elections</p>	<p>If any of the following events occurs (each, a Non-Payment Event), Interest Amounts shall not be paid on any Interest Payment Date:</p> <ul style="list-style-type: none"> a) the interest amount payable, when aggregated with any distributions or amounts payable by the Bank on any Pari Passu Obligations, having the same dates in respect of payment of such distributions or amounts as, or otherwise due and payable on, the dates for payment of Interest Amounts, would exceed, on the relevant date for payment of such Interest Amounts, Distributable Items; b) the Bank is, on that Interest Payment Date, in breach of the Applicable Regulatory Capital Requirements (including any payment restrictions due to a breach of capital buffers imposed on the Bank by the CBO) or payment of the relevant Interest Amount would cause it to be in breach thereof; or c) the CBO requires that the Interest Amount due on that Interest Payment Date shall not be paid. <p>The Bank may in its sole discretion elect that Interest Amounts shall not be paid to Bondholders on any Interest Payment Date (each a Non-Payment Election). For the avoidance of doubt, the Bank will have the right to otherwise use any Interest Amounts not paid to Bondholders and such non-payment will not impose any restriction on the Bank other than as set out in Condition 6.4 (<i>Dividend and Redemption Restrictions</i>).</p>
<p>Effect of Non-Payment Event or Non-Payment Election</p>	<p>If the Bank makes a Non-Payment Election or a Non-Payment Event occurs, if practicable, the Bank shall provide notice to the Bondholders and the Bondholders' Agent in each case providing details of the Non-Payment Election or Non-Payment Event.</p> <p>Bondholders shall have no claim in respect of any Interest Amount not paid as a result of either a Non-Payment Election or a Non-Payment Event and any non-payment of an Interest Amount in such circumstances shall not constitute an Event of Default. The Bank shall not have any obligation to make any subsequent payment in respect of any such unpaid interest. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such Non-Payment Election or a Non-Payment Event, or give the Bondholders any rights as a result of such failure.</p>
<p>Interest Restrictions</p>	<p>If the Bank makes a Non-Payment Election or a Non-Payment Event occurs, the Bank shall not pay the corresponding Interest Amounts on the relevant Interest Payment Date and the Bank shall not have any obligation to make any subsequent payment in respect of any unpaid Interest Amount. In such circumstances, interest will not be cumulative and any interest which is not paid will not accumulate or compound and Bondholders will have no right to receive such interest at any time, even if interest is paid in respect of any subsequent Interest Period. It is further clarified that such non-payment of Interest Amounts by the Bank shall not constitute an Event of Default.</p>

<p>Dividend Restrictions</p>	<p>If any Interest Amount is not paid as a consequence of a Non-Payment Event or a Non-Payment Election (as the case may be), then, from the date of such Non-Payment Event or Non-Payment Election (the Dividend Stopper Date), the Bank will not, so long as any of the Bonds are outstanding:</p> <ul style="list-style-type: none"> a) declare or pay any distribution or dividend or make any other payment on, and will procure that no distribution or dividend or other payment is made on, the Ordinary Shares of the Bank (other than to the extent that any such distribution, dividend or other payment is declared before such Dividend Stopper Date); or b) pay interest, profit or any other distribution on any of its Other Common Equity Tier 1 Instruments or securities, ranking, as to the right of payment of dividend, distributions or similar payments, junior to or pari passu with the Obligations (excluding securities the terms of which do not at the relevant time enable the Bank to defer or otherwise not to make such payment), only to the extent such restriction on payment or distribution is permitted under the Applicable Regulatory Capital Requirements; c) directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire Ordinary Shares; or d) directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire Other Common Equity Tier 1 Instruments or any securities issued by the Bank ranking, as to the right of repayment of capital, junior to or pari passu with the Obligations (excluding securities the terms of which stipulate a mandatory redemption or conversion into equity), only to the extent such restriction on redemption, purchase, cancellation, reduction or acquisition is permitted under the Applicable Regulatory Capital Requirements, <p>in each case unless or until one Interest Amount following the Dividend Stopper Date has been paid in full.</p>
<p>Mandatory Conversion</p>	<p>The Bonds are securities in respect of which there shall be no redemption by cash.</p> <p>Pursuant to Condition 4.1 (<i>Mandatory Conversion</i>), the Bonds shall be mandatorily converted into Ordinary Shares in accordance with the Conversion Ratio on the Conversion Date.</p> <p>Upon the Conversion of the relevant Bonds in accordance with Condition 4.1 (<i>Mandatory Conversion</i>) and the fulfilment by the Issuer of all its obligations in respect of them, the relevant Bondholders shall have no further rights in respect of such Bonds and the obligations of the Issuer in respect thereof shall be extinguished and no further amounts shall be payable in respect of the relevant Bonds.</p>

Accelerated Mandatory Conversion	<p>No later than the fifth Business Day following the date on which an Accelerated Mandatory Conversion Event occurs (or on such earlier date if instructed by the CBO), the Bondholders' Agent shall notify the Bondholders thereof in accordance with Condition 13 (<i>Notices</i>) (Accelerated Mandatory Conversion Notice).</p> <p>Following the issue of an Accelerated Mandatory Conversion Notice, the relevant Bonds shall be mandatorily converted on the Accelerated Mandatory Conversion Date into Ordinary Shares in accordance with the Conversion Ratio.</p> <p>Accelerated Mandatory Conversion Event includes an Event of Default and a Capital Event.</p>
Conversion and Variation	<p>The Bonds are mandatory convertible securities in respect of which there is no redemption date. The Bonds do not have any step-up features or other incentives for the Issuer to redeem the Bonds.</p> <p>In circumstances where the terms of the Bonds are required to be varied pursuant to Condition 8.2 or Condition 8.3, the Issuer agrees to make such variations to ensure that the Bonds either become or, as appropriate, remain Qualifying Additional Tier 1 Instruments.</p>
Maturities	<p>The Bonds are securities in respect of which there shall be no redemption by cash. The Bonds shall be mandatorily converted into Ordinary Shares in accordance with Condition 4.1 (<i>Mandatory Conversion</i>) on the Conversion Date.</p> <p>The Bondholders shall have no right to require the Issuer to redeem or purchase the Bonds at any time.</p>
Write-down	<p>If a Non-Viability Event occurs, a Write-down shall occur on the relevant Non-Viability Event Write-down Date as described in Condition 9 (<i>Write-down at the point of Non-Viability</i>).</p> <p>In such circumstances, the rights of the Bondholders to payment of any amounts under or in respect of the Bonds shall, as the case may be, be cancelled or written down permanently pro rata among the Bondholders.</p> <p>A Write-down shall not constitute an Event of Default.</p> <p>A Write-Down shall only take place with the prior written approval of the CBO.</p>
Withholding Tax	<p>All payments in respect of the Bonds will be made subject to deduction for or on account of withholding taxes imposed by the Sultanate of Oman, as applicable on the date of payment, subject as provided in Condition 11 (<i>Taxation</i>).</p>
Announcements	<p>No Bondholder may make a press release, announcement or public statement about the Issue except with the consent of the Bank or as required by law or an applicable stock exchange.</p>

Confidential Information	<p>No Bondholder may disclose any confidential information of another party (which includes the information provided as part of the due diligence investigations and the Issue) to any other person or entity except:</p> <ol style="list-style-type: none"> with the consent of the party whose confidential information it is; as required by law or an applicable stock exchange; or <p>to its professional advisors and employees for the purpose of due diligence, on the basis that they keep the information confidential.</p>
Transaction Documents	<ol style="list-style-type: none"> the Declaration of Agency; the Paying Agent Agreement; the Registrar Agreement; and <p>any other agreement or document from time to time designated to be a transaction document by the Issuer and the Bondholders' Agent.</p>
Governing Law and Jurisdiction	<p>The Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by the laws of the Sultanate of Oman.</p>
Selling Restrictions	<p>There are restrictions on the offer, sale and transfer of the Bonds in the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the State of Kuwait, the Kingdom of Saudi Arabia, the Kingdom of Bahrain and the State of Qatar and such other restrictions as may be required in connection with the offering and sale of the Bonds.</p>
Financial Advisor & Issue Manager	<p>Sohar International Bank SAOG PO Box 44, PC 114, Hai Al Mina, Sultanate of Oman Tel: +968 24730000, Fax: +968 24730010 Email: advisory@sib.om</p>
Registrar, Paying Agent and Bondholders' Agent	<p>Muscat Clearing and Depository SAOC PO Box 952, PC 112, Ruwi, the Sultanate of Oman Tel: +968 24822222, Fax: +968 24817491</p>
Legal Advisor	<p>Al Maamary, Al Abri & Co. (MAQ Legal) PO Box 1963, PC 130, Bousher, Muscat, Sultanate of Oman Tel: +968 2113 2800 Email: info@maqlegal.com</p>
Auditor	<p>KPMG LLC PO Box 641, PC 112, Muscat, Sultanate of Oman</p>

CHAPTER 4: TERMS AND CONDITIONS OF THE BONDS

RECITALS

The following are the text of the Terms and Conditions of the Bonds (the **Conditions**).

- A. Each of the Bonds as Additional Tier 1 Capital Instruments, and any further capital securities issued pursuant to Condition 15 (*Further Issues*), is issued by Sohar International Bank SAOG in its capacity as Issuer.
- B. Any reference to Bondholders shall mean the persons in whose name the Bonds are registered in the Register.

1 FORM, DENOMINATION, TITLE AND ALLOTMENT

1.1 Form and Denomination

Each Bond shall have a nominal value of 100 Baisa and shall be fully paid-up at the time of its issue. Each Bond will be recorded in the Register.

1.2 Title

The MCD shall act as the Paying Agent and Registrar with respect to the Bonds and shall also act as the Bondholders' Agent in accordance with the terms of the Declaration of Agency, which shall be entered into by and between the Issuer and the Bondholders' Agent. The title to the Bonds passes on the recordation of the transfer in the Register. The registered owner of the Bonds will, save as otherwise required by the Laws of the Sultanate of Oman, be treated as the absolute owner of the Bonds for all purposes.

1.3 Allotment

Each Shareholder shall receive a direct credit for such Bond entitlement in their respective account registered with the MCD (**MCD Investors Account**).

2 TRANSFERS OF BONDS

2.1 Transfers of interest in Bonds and restrictions on transferability

MCD will record the transfers of Bonds and will maintain the Register which will include the names and addresses, the number of Bonds held and the bank account details of the Bondholders. The minimum quantity of Bonds that can be transferred and the process of transfer shall be in accordance with the FSA and MSX regulations.

Any proposed transfer of Bonds may only be made with the prior written approval of the Issuer to the extent that such transfer would result in the breach of controller limits set by the CBO from time to time.

2.2 Costs of registration

The Bonds shall be issued to the Bank's shareholders without imposing any costs or fees on them, provided that the issuer shall bear all costs and fees associated with the issuance. As for any subsequent transactions or transfers involving the Bonds after their issuance to the shareholders in accordance with this Prospectus, any transaction or other charges levied by the MCD shall be borne by the buyer and/or the seller of the Bonds in accordance with the prevailing regulations. All transfers of Bonds and entries on the Register will be made subject to the regulations concerning transfer of Bonds.

3 STATUS AND SUBORDINATION

3.1 Status of the Bonds

Each Bond will rank pari passu without preference or priority, with all other Bonds of the Issue.

3.2 Subordination of the Bonds

The payment obligations of the Bank under the Bonds will:

- (a) constitute Additional Tier 1 Capital of the Bank;
- (b) constitute direct, unsecured, unconditional and subordinated obligations of the Bank that rank pari passu inter se the Bonds;
- (c) rank subordinated to the claims of the Bank's depositors and general creditors and the holders of other subordinated debt / sukuk of the Bank;
- (d) rank pari passu with Pari Passu Obligations and other perpetual subordinated bonds and other mandatory convertible bonds (Additional Tier 1 Capital Instruments); and
- (e) rank in priority only to claims of the holders of Ordinary Shares and other Junior Obligations of the Bank.

On the Conversion Date, all of the Issuer's obligations under the Bonds shall be irrevocably and automatically released in consideration of the Issuer's issuance of its Ordinary Shares to the Bondholders pursuant to Condition 4.1 (*Mandatory Conversion*). Following the Conversion, the status of each Bondholder shall be effectively further subordinated, from being the holder of a Bond ranking ahead of holders of Ordinary Shares, to being the holder of Ordinary Shares or being entitled to receive the Ordinary Shares, as evidenced by the applicable Conditions of the Bonds.

The Bondholders may only exercise their enforcement rights in relation to the Obligations in the manner provided in Condition 4.1 (*Mandatory Conversion*) and Condition 10 (*No Enforcement*).

Subject to applicable law, no Bondholder may exercise or claim any right of set off in respect of any amount owed to it by the Bank arising under or in connection with the Bonds and each Bondholder shall, by virtue of being a Bondholder, be deemed to have waived all such rights of set-off.

In accordance with these Conditions, the Obligations shall be neither secured nor guaranteed by any entity and shall not be subject to any other arrangement which, either legally or economically or otherwise, enhances the seniority of the claims of the Bondholder in respect of the Obligations compared with the claims of holders or beneficiaries of Senior Obligations.

3.3 Solvency Conditions

Payments in respect of the Obligations by the Bank are conditional upon the following:

- (a) the Bank being solvent at all times from (and including) the first day of the relevant Interest Period (or the Issue Date in the case of the first Interest Period) to (and including) the time of payment of the Obligations;
- (b) the Bank being capable of making payment of the Obligations and any other payment required to be made on the relevant date to a creditor in respect of all Senior Obligations and all Pari Passu Obligations and still be solvent immediately thereafter; and
- (c) the total share capital (including, without limitation, retained earnings) of the Bank being greater than zero at all times from (and including) the first day of the relevant Interest Period (or the Issue Date in the case of the first Interest Period) to (and including) the time of payment of the Obligations.

4 CONVERSION

4.1 Mandatory Conversion

The Bonds will be mandatorily converted into new Ordinary Shares on the Conversion Date, in accordance with the Conversion Ratio and the Conversion rules and conditions applicable to the Bonds under Oman law (**Conversion Rules and Conditions**).



Any proposed transfer of Ordinary Shares pursuant to this Condition 4.1 (Mandatory Conversion) may only be made with the prior written approval of the Issuer to the extent that such transfer would result in the breach of controller limits set by the CBO from time to time.

Fractions of such Ordinary Shares shall be aggregated as part of the Conversion, and the result of such aggregation shall be rounded down to the next full Ordinary Share. Any remaining fraction of an Ordinary Share shall not be delivered and shall not be compensated in cash. The number of Ordinary Shares to be delivered to the relevant Bondholders shall be determined in accordance with the calculation above by the Issuer.

A Conversion shall not constitute an Event of Default.

4.2 Accelerated Mandatory Conversion

No later than the fifth Business Day following the date on which an Accelerated Mandatory Conversion Event occurs (or on such earlier date if instructed by the CBO), the Bondholders' Agent shall notify the Bondholders of the occurrence in accordance with Condition 13 (*Notices*) (**Accelerated Mandatory Conversion Notice**).

Upon the provision of an Accelerated Mandatory Conversion Notice, the Bonds shall be mandatorily converted into Ordinary Shares on the Accelerated Mandatory Conversion Date in accordance with the Conversion Ratio and in accordance with the Conversion Rules and Conditions.

Any delivery of the Ordinary Shares pursuant to this Condition 4.2 (*Accelerated Mandatory Conversion*) may only be made with the prior written approval of the Issuer to the extent that the transfer would result in the breach of controller limits set by the CBO from time to time.

Fractions of the Ordinary Shares for the aggregated number of converted Bonds of a Bondholder as part of the Conversion shall be aggregated, and the result of such aggregation shall be rounded down to the next full Ordinary Share. Any remaining fraction of an Ordinary Share shall not be delivered and shall not be compensated in cash. The number of Ordinary Shares to be delivered to the Bondholders shall be determined in accordance with the calculation above by the Issuer.

5 INTEREST

5.1 Interest Payments

Subject to Condition 6 (*Interest Restrictions*), the Bonds bear interest from (and including) the Issue Date to (but excluding) the Conversion Date at the Interest Rate on the outstanding principal (nominal) amount of the Bonds in accordance with the provisions of this Condition 5.1 (*Interest*).

According to current CBO regulations governing the Bonds, the payments of the Interest Amount must only be paid out of Distributable Items (accumulated and realized profits, so far as they have not been previously distributed or capitalized, less accumulated losses).

Subject to Condition 6 (*Interest Restrictions*), interest shall be payable on the Bonds semi-annually in arrears on each Interest Payment Date. Interest will not be cumulative and any interest which is not paid will not accumulate or compound and Bondholders will have no right to receive such interest at any time, even if interest is paid in respect of any subsequent Interest Period.

If interest is required to be calculated in respect of a period of less than a full Interest Period (the **Relevant Period**), it shall be calculated in OMR as an amount equal to the product of:

- (a) the applicable Interest Rate;
- (b) the aggregate nominal amount of the Bonds for the time being outstanding; and
- (c) the applicable Day-Count Fraction for the Relevant Period, rounding the resultant figure to the nearest Baisa (half a Baisa and above being rounded upwards).



5.2 Partial Payment

If the Interest Payment Amount is not paid in full, the Registrar shall annotate the Register with a record of the Interest Payment Amount actually paid. If Interest Payment Amounts are due and payable and the available funds are insufficient to pay all the amounts due and payable, any such available funds to be applied in respect of such Interest Payment Amount shall be applied pro rata among the Bondholders.

5.3 Cessation of Accrual

Subject to Condition 6 (*Interest Restrictions*) and Condition 4.1 (*Mandatory Conversion*), each Bond shall cease to accrue Interest Payment from the Conversion Date.

5.4 Determinations of the Bank are Binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5, shall (in the absence of willful default, bad faith or manifest error) be binding on the Bondholders of the Bonds and (in the absence of willful default, bad faith or manifest error) no liability to the Bondholders shall attach to the Bank in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

6 INTEREST RESTRICTIONS

6.1 Non-Payment Event

Notwithstanding Condition 5.1 (*Interest Payments*), if any of the following events occurs (each, a **Non-Payment Event**), Interest Payment Amounts shall not be paid on any Interest Payment Date:

- (i) the Interest Payment Amount payable, when aggregated with any distributions or amounts payable by the Bank on any *Pari Passu* Obligations, having the same dates in respect of payment of such distributions or amounts as, or otherwise due and payable on, the dates for payment of Interest Payment Amounts, exceed, on the relevant date for payment of such Interest Payment Amounts, Distributable Items;
- (ii) the Bank is, on that Interest Payment Date, in breach of the Applicable Regulatory Capital Requirements (including any payment restrictions due to a breach of capital buffers imposed on the Bank by the Regulator) or payment of the relevant Interest Payment Amount would cause it to be in breach thereof; or
- (iii) the Regulator requires that the Interest Payment Amount due on that Interest Payment Date shall not be paid.

6.2 Non-Payment Election

Notwithstanding Condition 5.1 (*Interest Payments*), the Bank may, in its sole discretion elect not to pay an Interest Payment Amount on any Interest Payment Date (a **Non-Payment Election**).

For the avoidance of doubt, the Bank will have the right to otherwise use any Interest Payment Amounts not paid to holders of the Bonds and such non-payment will not impose any restriction on the Bank other than as set out in Condition 6.4 (Dividend and Redemption Restrictions).

6.3 Effect of Non-Payment Event or Non-Payment Election

If the Bank makes a Non-Payment Election or a Non-Payment Event occurs, the Bank shall give notice to the Bondholders in accordance with Condition 13 (*Notices*) in each case providing details of the Non-Payment Election or Non-Payment Event:

- (i) in the case of a Non-Payment Election, 14 calendar days prior to such event, and
- (ii) in the case of a Non-Payment Event, as soon as practicable thereafter but in any case, no later than one Business Day prior to the relevant Interest Payment Date.



Bondholders shall have no claim in respect of any Interest Payment Amount not paid as a result of either a Non-Payment Election or a Non-Payment Event and any non-payment of an Interest Payment Amount in such circumstances shall not constitute an Event of Default. The Bank shall not have any obligation to make any subsequent payment in respect of any such unpaid Interest Payment Amount.

6.4 Dividend and Redemption Restrictions

If any Interest Payment Amount is not paid as a consequence of a Non-Payment Event or a Non-Payment Election pursuant to Condition 6.1 (*Non-Payment Event*) or 6.2 (*Non-Payment Election*) (as the case may be), then, from the date of either the Non-Payment Event or Non-Payment Election (the **Dividend Stopper Date**), the Bank will not, so long as any of the Bonds are outstanding:

- (i) declare or pay any distribution or dividend or make any other payment on, and will procure that no distribution or dividend or other payment is made on, Shares (other than to the extent that any such distribution, dividend or other payment is declared before such Dividend Stopper Date);
- (ii) pay interest, profit or any other distribution on any of its Other Common Equity Tier 1 Instruments or securities, ranking, as to the right of payment of dividend, distributions or similar payments, junior to or pari passu with the Obligations (excluding securities the terms of which do not at the relevant time enable the Bank to defer or otherwise not to make such payment), only to the extent such restriction on payment or distribution is permitted under the Applicable Regulatory Capital Requirements;
- (iii) directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire Ordinary Shares; or
- (iv) directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire Other Common Equity Tier 1 Instruments or any securities issued by the Bank ranking, as to the right of repayment of capital, junior to or pari passu with the Obligations (excluding securities the terms of which stipulate a mandatory redemption or conversion into equity), only to the extent such restriction on redemption, purchase, cancellation, reduction or acquisition is permitted under the Applicable Regulatory Capital Requirements,

in each case unless or until one Interest Payment Amount following such Dividend Stopper Date has been paid in full.

7 PAYMENTS

7.1 Payments in respect of Bonds

Interest payments in respect of each Bond will be made to the designated account of the Bondholder appearing in the Register on the Interest Payment Record Date or before the relevant due date at his address shown in the Register on such date and at his risk. All Bondholders who are on the Bondholders' Register as on the relevant Interest Payment Record Date are eligible to receive interest for the Interest Period in which the relevant Interest Payment Record Date falls.

Payments subject to Laws

All payments are subject in all cases to: (a) any applicable laws, regulations and directives in the place of payment, without prejudice to the provisions of Condition 11 (*Taxation*); and (b) any withholding or deduction required by the tax rules/ regulations and/or the Laws of Oman.

7.2 Payment Day

If the date for payment of any amount in respect of the Bonds is not a Business Day, the Bondholder thereof shall not be entitled to receive payment until the next following Business Day and shall not be entitled to further interest or other payment in respect of such delay.



8 VARIATION

8.1 No Redemption

The Bonds are mandatory convertible securities in respect of which there is no redemption date. The Bonds do not have any step-up features or other incentives for the Issuer to redeem the Bonds.

The Bonds are securities in respect of which there shall be no redemption by cash. No Bondholder shall be entitled to redeem any Bonds at any time and accordingly Article 86 of the Bond and Sukuk Regulations shall be inapplicable for the purposes of the Issue. The Bonds shall be mandatorily converted into Ordinary Shares in accordance with either Condition 4.1 (*Mandatory Conversion*) on the Conversion Date.

Subject to the provisions of Condition 3.2 (*Subordination*) and Condition 6.10 (*No Enforcement*) and without prejudice to the provisions of Condition 4.1 (*Mandatory Conversion*), the Issuer may only vary the terms of the Bonds in accordance with the following provisions of Condition 8.2 (*Variation due to a Capital Event*) or Condition 8.3 (*Variation due to a Tax Event*).

8.2 Variation due to a Capital Event

Subject to the provisions of Article 155 of the Commercial Companies Law, if a Capital Event has occurred and is continuing, and having given not less than thirty (30) nor more than forty five (45) days' irrevocable notice to the Bondholders' Agent and the Bondholders in accordance with Condition 13 (*Notices*), then the Issuer may, in its sole and absolute discretion, as an alternative to the Mandatory Conversion described in Condition 4.2 (*Accelerated Mandatory Conversion*) vary the terms of the relevant Bonds so that the Bonds remain or become, as the case may be, Qualifying Additional Tier 1 Instruments. The consent of the Bondholders to the variation shall not be required and the Bondholders' Agent shall consent to the variation subject to the receipt by it of:

- (a) a certificate of 2 Authorized Signatories (upon which the Bondholders' Agent may rely without liability to any person) stating that:
 - (i) the relevant requirement or circumstance giving rise to the right to vary is satisfied or has occurred and, where applicable, cannot be avoided by the Issuer taking reasonable measures available to it;
 - (ii) the terms of the Bonds as varied are not materially less favorable to the relevant Bondholders than the terms of the Bonds prior to the variation and that a determination was reached by the Issuer in consultation with either a bank or financial adviser of reputable standing or a recognized international law firm which carries professional indemnity insurance in Oman that the criteria specified in the definition of Qualifying Additional Tier 1 Instruments shall be satisfied upon variation or variations; and
- (b) legal opinion from a recognized international law firm which carries professional indemnity insurance in Oman in form and content acceptable to the Bondholders' Agent, acting reasonably having regard to market standards for opinion of this type, as to: (1) the capacity and authority of the Issuer respect of the Qualifying Additional Tier 1 Instruments; and (2) the legality, validity and enforceability of the Qualifying Additional Tier 1 Instruments under all relevant laws,

and the Bondholders' Agent may accept the certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in this Condition 8.2 (*Variation due to a Capital Event*), in which event it shall be conclusive and binding on the Bondholders.

In connection with any variation of the Bonds, the Issuer shall comply with the rules of the MSX or any stock exchange on which the Bonds are at that time listed or admitted to trading.

Any variation in accordance with this Condition 8.2 (*Variation due to a Capital Event*) shall not be permitted if any such variation would give rise to a Tax Event with respect to the Bonds or the Qualifying Additional Tier 1 Instruments.



8.3 Variation due to a Tax Event

Subject to the provisions of Article 155 of the Commercial Companies Law, upon the occurrence of a Tax Event, the Bank may, by giving not less than thirty (30) nor more than forty five (45) days' prior notice (unless the implementation date for the change in tax laws, or amendment to or interpretation of the tax laws, which results in the Tax Event occurs in less than 30 days, in which case the Bank may give notice at any time after the relevant implementation date) to the Bondholders' Agent and the Bondholders in accordance with Condition 13 (Notices), which notices shall be irrevocable, vary the terms of the Bonds so that they remain or, as appropriate, become, Qualifying Additional Tier 1 Instruments, in each case without any requirement for consent or approval of the Bondholders.

Any such variation may occur on any date on or after the Issue Date (whether or not an Interest Payment Date).

The Capital Regulations, as in force from time to time, may oblige the Bank to demonstrate to the satisfaction of the Regulator that (among other things) the Tax Event was not reasonably foreseeable at the Issue Date.

8.4 Taxes upon Variation

In the event of a variation in accordance with Conditions 8.2 (*Variation due to a Capital Event*) or 8.3 (*Variation due to a Tax Event*), the Bank will not be obliged to pay and will not pay any liability of any Bondholder to corporation tax, corporate income tax or tax on profits or gains or any similar tax arising in respect of the variation of the terms of the Bonds provided that (in the case of a Tax Event) or so that (in the case of a Capital Event) they remain or, as appropriate, become, Qualifying Additional Tier 1 Instruments, including in respect of any stamp duty or similar other taxes arising on any subsequent transfer, disposal or deemed disposal of the Qualifying Additional Tier 1 Instruments by such Bondholders.

9 WRITE-DOWN AT THE POINT OF NON-VIABILITY

9.1 Non-Viability Event

If a Non-Viability Event occurs, a Write-down will take place in accordance with Condition 9.2 (*Non-Viability Notice*) below.

A Non-Viability Event means that upon the occurrence of a trigger event, which, in accordance with the definition of Non-Viability Event, is the earlier of (a) the Regulator having notified the Bank in writing that it has determined that the Bank is, or will become, Non-Viable without a Write-down or (b) a decision having been taken to make a Public Sector Injection of capital or equivalent support, without which the Bank is, or will become, Non-Viable, the Bonds shall be permanently written down in whole or in part, as further provided in the definition of Write-down, as determined by the Bank in conjunction with the Regulator in accordance with the Capital Regulations.

For the avoidance of doubt, where the Regulator has determined that a Public Sector Injection of capital (or equivalent support) is required, the Write-down will be full and permanent and shall occur prior to any Public Sector Injection of such capital or equivalent support.

Non-Viable in respect of the Bank means (i) insolvent, bankrupt, unable to pay a material part of its obligations as they fall due or unable to carry on its business; or (ii) any other event or circumstance which is specified as constituting non-viability by the Regulator or as is set out in the applicable banking regulations.

A Write-down shall not constitute an Event of Default.

A Write-down will only take place after the approval of the CBO.

Although this will depend on the terms of other financing arrangements to which the Bank is a party as an obligor, the Bank believes that, because of a Write-down not constituting an Event of Default under the Conditions, such Write-down will not trigger cross-default clauses in such other financing arrangements.

It is the Bank's intention at the date of this Prospectus that a Write-down will take place: (1) after the



*Shares of the Bank absorb losses (if and to the extent such loss absorption is permitted at the relevant time under all relevant rules and regulations applicable to the Bank at such time) and the Regulator has not notified the Bank in writing that the relevant Non-Viability Event has been cured as a result of such loss absorption; (2) simultaneously with the write-down of any of the Bank's other obligations in respect of Tier 1 Capital and other instruments related to the Bank's other obligations constituting Tier 1 Capital; and (3) prior to the write-down of any of the Bank's other obligations in respect of Tier 2 Capital and other instruments related to the Bank's other obligations constituting Tier 2 Capital, **provided that**, in the case of (2) and (3) above, this will only apply to the extent such other instruments have contractual provisions for such analogous write-down at the point of non-viability or are subject to a statutory framework that provides for such analogous write-down.*

9.2 Non-Viability Notice

If a Non-Viability Event occurs, on the third Business Day following the occurrence of such Non-Viability Event (or such earlier date as determined by the Regulator), the Bank will provide a Non-Viability Notice to the Bondholders thereof in accordance with Condition 13 (Notices) (a **Non-Viability Notice**). Upon provision of such Non-Viability Notice, a Write-down of the Bonds shall take place on the Non-Viability Event Write-down Date and, with effect from such date, Bondholders shall not be entitled to any claim for any amount subject to such Write-down in connection with the Bonds. Any such Write-down shall not constitute an Event of Default. The Bondholders acknowledge that there shall be no recourse to the Regulator in respect of any determination made by it with respect to the occurrence of a Non-Viability Event.

Following any Write-down of the Bonds in accordance with this Condition:

- (a) references in these Conditions to the "principal amount" or "outstanding principal amount" of the Bonds shall be construed as referring to the written-down amount;
- (a) the principal amount so written down will be cancelled and interest will continue to accrue only on the outstanding principal amount following such cancellation, subject to Conditions 6.1 (Non-Payment Event) and 6.2 (Non-Payment Election) as described herein; and
- (a) any amounts so written down may not be restored and Bondholders shall not have any claim thereto under any circumstances, including, without limitation
 - (i) where the relevant Non-Viability Event is no longer continuing;
 - (ii) in the event of the liquidation or winding-up of the Bank; or
 - (iii) following the Conversion or variation of the Bonds upon the occurrence of a Tax Event (pursuant to Condition 8.3 (Variation due a Tax Event)) or a Capital Event (pursuant to Condition 8.2 (Variation due to a Capital Event)).

10 NO ENFORCEMENT

Following the Conversion of the Bonds in accordance with Condition 4.1 (*Mandatory Conversion*), neither the Bondholders' Agent nor the Bondholders shall:

- (a) institute proceedings for the winding-up of the Issuer; and/or
- (b) prove in the winding-up of the Issuer; and/or
- (c) claim in the liquidation of the Issuer.

11 TAXATION

All payments of interest in respect of the Bonds by the Bank will be made subject to any withholding or deduction for or on account of any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature imposed or levied by or on behalf of the Sultanate of Oman or any political



sub-division or authority thereof or therein having the power to tax unless such withholding or deduction is required by law.

12 PRESCRIPTION

Subject to applicable law, claims for payment in respect of the interests on the Bonds shall become void unless made within the limitation periods provided by the Laws of Oman for payment of such Interest Amounts.

13 NOTICES

All notices to the Bondholders shall be posted to them at their respective addresses in the Register and/or sent to them by electronic means in accordance with their respective contact details registered with the MCD. Any notice shall be deemed to be delivered two (2) Business Days after dispatch.

In addition to the above, all notices to the Bondholders with respect to any Bondholders' Meeting shall be published in two daily newspapers (one of which shall be an Arabic newspaper) in Oman and shall also be posted or sent by electronic means to the Bondholders at least fifteen (15) days prior to the date of the meeting. Any notice relating to a Bondholders' Meeting shall be required to be accompanied by an agenda of the meeting and shall be subject to the prior approval of the FSA. Each such notice shall be deemed to have been delivered on the date of such publication, or if published more than once or on different dates, on the second date on which such publication is made.

Notices to be given by any Bondholder shall be in writing and given by lodging the same with the registered office of the Bank.

14 VARIATION OF RIGHTS

The Conditions attached to the Bonds shall also be capable of amendment under the following circumstances:

- (a) In the event that any term or condition thereof needs to be amended in order to comply with the Laws of Oman, or change in the Laws of Oman, or any regulation of CBO, the FSA, the MSX, or MOCIIIP, in which case the Bank shall be entitled to enforce such change or amendment forthwith, on condition that each Bondholder shall be duly notified of such amendment, within fourteen (14) days.
- (b) In the event that the Bank intends proposing any other amendment or variation to the Conditions attaching to the Bonds, after receipt of prior written CBO approval, it shall call a meeting of the Bondholders for such purpose, who shall be entitled to consider, and vote upon such variation or amendment by way of formal meeting to be held, other than as specifically provided for herein, in accordance with rules and regulations for convening general meetings of Bondholders.

15 FURTHER ISSUES

The Bank may from time to time without the consent of the Bondholders, create and issue further instruments ranking pari passu in all respects (or in all respects save for the date from which distributions or interest thereon accrue and the amount and date of the first distributions or interest thereon (or such other equivalent amount) on such further instrument). References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15.

16 MEETINGS OF THE BONDHOLDERS, MODIFICATIONS AND WAIVER

Subject to the provisions of Article 155 of the Commercial Companies Law, and Articles 85 to 95 of the Bond and Sukuk Regulations, the Declaration of Agency contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the modification or abrogation of any of these Conditions (which shall also be subject to the approval of the FSA) or any of the provisions of the



Declaration of Agency (each a **Bondholders' Meeting**). In accordance with Article 158 of the Commercial Companies Law and Article 90 of the Bond and Sukuk Regulations, a general meeting of Bondholders shall not be valid unless such general meeting is attended, in person or by proxy, by a number of Bondholders representing at least two-thirds of the aggregate face value of the Bonds for the time being outstanding, failing which a second general meeting shall be convened. The second general meeting shall be valid if it is attended by Bondholders representing one third of the aggregate face value of the Bonds for the time being outstanding, provided that the second general meeting shall be held within thirty (30) days of the date of the first (1st) general meeting.

In accordance with Article 85 of the Bond and Sukuk Regulations and Clause 4.6 of Schedule 2 of the Declaration of Agency, the general meeting of the Bondholders must have a secretary appointed by the Bondholders and the Issuer shall bear the expenses relating to convening of the Bondholders' Meeting and the appointment of any legal adviser appointed by the Bondholders' Agent.

In accordance with Article 85 of the Bond and Sukuk Regulations and Clause 9 of Schedule 2 of the Declaration of Agency, any decision taken during the Bondholders' Meeting shall be binding on all Bondholders, whether present at the meeting or not, and each Bondholder shall commit to implementing such decision accordingly. The issuance of this decision is conclusive evidence that the circumstances justify its issuance.

In accordance with Article 95 of the Bond and Sukuk Regulations and Clause 7.2 of Schedule 2 of the Declaration of Agency, the convening of a Bondholders' Meeting is deemed valid if any of the Bondholders (or their proxies, as applicable) withdraw from such Bondholders' Meeting after the announcement of its quorum.

The Declaration of Agency, any other Transaction Document and the Issuer's constitutive documents may only be amended by the Issuer with the consent of the Bondholders' Agent and the Bondholders' Agent may agree, without the consent or sanction of the Bondholders, to any modification of any of the Transaction Document or the Issuer's constitutive documents if, in the opinion of the Bondholders' Agent:

- (a) such modification is of a formal, minor or technical nature;
- (b) such modification is made to correct a manifest error; or
- (c) such modification is not materially prejudicial to the interests of the outstanding Bondholders and is other than in respect of a Reserved Matter or any provisions of the Transaction Documents referred to in the definition of a Reserved Matter.

Any such modification may be made on such terms and subject to such conditions (if any) as the Bondholders' Agent may determine and shall be binding on the Bondholders and, unless the Bondholders' Agent otherwise decides, shall be notified by the Issuer to the Bondholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

A **Reserved Matter** for the purposes of a Bondholders' Meeting means each of the following matters:

- (a) amending the Conversion Date in respect of the Bonds or any date for payment of the Interest Payment Amount;
- (b) reducing the Interest Payment Amount on any Interest Payment Date;
- (c) reducing or cancelling or varying the method for calculating the Interest Payment Amount due;
- (d) varying any date for calculating the Interest Rate;
- (e) varying any rights, preferences, economic or other interests, privileges or powers of, or the restrictions provided for the benefit of, the Bondholders in respect of the Conversion;
- (f) varying the Conversion Ratio;
- (g) varying the definition of any of the following terms (which have the meanings given to them in the Conditions):



- i Conversion Date;
- ii Accelerated Mandatory Conversion Event;
- iii Accelerated Mandatory Conversion Notice;
- iv Capital Event;
- v Event of Default;
- vi Non-Payment Event;
- vii Non-Viability Event;
- viii Dividend Stopper Date;
- ix Junior Obligations, Senior Obligations and Pari Passu Obligations;

- (h) varying the ranking of any Bonds;
- (i) varying Condition 3.2 (Subordination of the Bonds), Condition 8.2 (Variation due to a Capital Event), Condition 4.1 (Mandatory Conversion) and Condition 10 (No Enforcement);
- (j) varying any of the Issuer's covenants in any Transaction Document to which it is a party;
- (k) varying the currency of payment or denomination of the Bonds;
- (l) varying the provisions concerning the quorum required at any Bondholders' Meeting or the majority required to pass a resolution;
- (m) power to sanction any compromise or arrangement proposed to be made between, or any abrogation, modification, compromise or arrangement in respect of the rights of, the Issuer, the Bondholders' Agent and the Bondholders or any of them;
- (n) power to waive or authorize any breach (subject to Condition 16) by the Issuer of its obligations under the Conditions or any act or omission which might otherwise constitute a default under the Conditions;
- (o) power to assent to any modification (subject to Condition 16) of the Conditions which is proposed by the Issuer, the Bondholders' Agent or any Bondholders (which shall also be subject to the approval of the FSA);
- (p) power to give any authority or sanction which under the provisions of these Conditions is required to be given by a resolution;
- (q) power to appoint any persons (whether Bondholders or not) as a committee or committees to represent the interests of the Bondholders and to confer upon such committee or committees any powers or discretions which the Bondholders could themselves exercise by a resolution;
- (r) power to discharge or exonerate the Issuer and/or the Bondholders' Agent from all liability in respect of any act or omission for which the Issuer and/or the Bondholders' Agent may have become responsible under these Conditions;
- (s) power to authorize the Bondholders' Agent and/or the Issuer to concur in and execute and do all such deeds, instruments, acts, and things as may be necessary to conduct and give effect to a resolution;
- (t) power to amend, alter, or repeal any Resolution concerning a Reserved Matter previously passed by the Bondholders; and
- (u) amending the above list.

The Bondholders' Agent may, without the consent or sanction of the Bondholders and without prejudice to its rights in respect of any subsequent breach from time to time and at any time:

- i give its consent under any Transaction Document and agree to waive or to authorize any breach or



proposed breach of any provision of any Transaction Document; or

- ii determine that any Accelerated Mandatory Conversion Date shall not be treated as such, provided that:
 - (a) in the opinion of the Bondholders' Agent, such waiver, authorization or determination is not materially prejudicial to the interests of the outstanding Bondholders; and
 - (b) the Bondholders' Agent shall not do so in contravention of an express direction given by the Bondholders pursuant to a Bondholders' Meeting.

No such direction or request shall affect a previous waiver, authorization or determination. Any such waiver, authorization or determination shall be binding on the Bondholders and unless the Bondholders' Agent otherwise requires, shall be notified by the Issuer to the Bondholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

In connection with the exercise of its functions (including, but not limited to, those referred to in this Condition) the Bondholders' Agent shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Bondholders' Agent shall not be entitled to require, nor shall any Bondholders be entitled to claim, from the Issuer or the Bondholders' Agent any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

17 CORPORATE REORGANISATION

If there is any consolidation or amalgamation of the Issuer with any company or other corporate entity (other than a consolidation or amalgamation in which the Issuer is the continuing entity), or if the Issuer sells or transfers ownership of all the assets of the Issuer, then the Issuer shall notify the Bondholders of the event and it shall (to the extent permitted by law) cause the company or the corporate resulting from the consolidation or amalgamation or which might have acquired the assets, as the case may be, to execute a supplemental declaration of agency to the Declaration of Agency (in form and substance satisfactory to the Bondholders' Agent) so that the new entity assumes the obligations of the Issuer under the Declaration of Agency.

18 GENERAL DUTIES AND OBLIGATIONS OF THE ISSUER TO BONDHOLDERS

The Issuer shall conduct its business of operating a bank in accordance with the Laws of Oman.

The Issuer shall prepare quarterly and annual financial statements in accordance with the laws applicable to banks in Oman. Any Bondholder shall be provided with a copy of any released financial results, or Annual Report, within 14 days of a written request to the Issuer.

The Issuer shall, in accordance with the regulatory requirements of Oman, publish its financial results timely in at least one Arabic and one English language newspaper, in each quarterly and annual financial reporting period.

If the Bonds for any reason whatsoever become delisted from the MSX while still in issue, or are at any time removed from the electronically recorded registration system, the Issuer shall be entitled to issue the Bonds as valid documents of title in respect of any Bonds then outstanding, as substitute to the electronic recording of ownership and title to the Bonds.

19 OTHER RIGHTS ATTACHING TO THE BONDS

The Bonds, while being transferable, are not negotiable and cannot be dealt with as a bill of exchange or under the laws applicable to bills of exchange or similar commercial banking instruments. The Bonds shall be capable of being pledged, ceded, sold, bequeathed, donated or dealt with in any way as may be



ordinarily allowed under the Laws of Oman in respect of listed securities.

20 JOINT AND FRACTION HOLDINGS

No joint holdings of a Bond shall be capable of registration. Each Bond shall be registered in the name of a single person or a single legal entity. The Issuer shall not be held responsible for any misappropriation, loss or damage which any person may suffer due to a loss arising from a holding which is, directly, or indirectly jointly held. No person shall be capable of registering a fraction of a holding of a Bond.

21 DOCUMENTS FOR INSPECTION

The Articles, the Declaration of Agency and the audited financial statements of the Issuer shall be available for inspection with the Bondholders' Agent, at the specified offices of the Bondholders' Agent and with the Issue Manager.

22 APPLICABILITY OF THE RULES & REGULATIONS

The Issue shall be governed by the Executive Regulations of the Capital Market Law and the Laws of Oman. If any provisions of these Conditions do not comply with or contract any of the Laws of Oman then the Laws of Oman shall prevail. Nothing contained within these Conditions shall preclude any matter or dispute arising from the Issue from being adjudicated by a competent court of Oman. As the Issue is to meet the Additional Tier 1 Capital requirements of the Issuer, the rules and regulations of the CBO shall have an overriding influence on the Issue.

23 RIGHTS OF THIRD PARTIES

No rights are conferred on any third persons to enforce any term of these Conditions, but this does not affect any right or remedy of any person which exists or is available.

24 AGENT

MCD shall be appointed as Bondholders' Agent to oversee the compliance of the Issuer with the Conditions, and to oversee, co-ordinate and monitor the status and the rights of the Bondholders.

25 GOVERNING LAW AND JURISDICTION

25.1 Governing Law

The Transaction Documents and the Bonds and any non-contractual obligations arising out of or in connection with the same are governed by, and shall be construed in accordance with, the laws of the Sultanate of Oman.

25.2 Arbitration

Subject to Condition 25.3 (*Court of Law*), any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Declaration of Agency and/or the Bonds (including any dispute, claim, difference or controversy regarding their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligation arising out of or in connection with it) (a **Dispute**) shall be referred to in writing by way of a Request for Arbitration (RFA) and finally resolved by arbitration in accordance with the provisions of the rules of the Oman Commercial Arbitration Centre (the **Rules**). For these purposes:

- (i) the seat of arbitration shall be Muscat, Oman;
- (ii) the place of arbitration shall be Muscat, Oman;
- (iii) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities



transactions. The parties to the Dispute shall each nominate one arbitrator and both arbitrators in turn shall appoint another arbitrator who shall be the chairman of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly shall each nominate one arbitrator. If one party or both fails to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed in accordance with the Rules. If the party nominated arbitrators fail to nominate the third arbitrator within 15 days of the appointment of the second arbitrator, such arbitrator shall be appointed in accordance with the Rules; and

- (iv) the language of the arbitration shall be English.

25.3 Court of law

Notwithstanding Condition 25.2 (*Arbitration*) above, the Bondholders' Agent, may in the alternative, and at its sole discretion, by notice in writing to the Issuer:

- (v) within 28 days of service of a Request for Arbitration (as defined in the Rules); or
- (vi) if no arbitration is commenced,

require that a Dispute be heard by a court of law. If the Bondholders' Agent gives such notice, the Dispute to which such notice refers shall be determined in accordance with Condition 25.4 (*Submission to Jurisdiction*) and, subject as provided below, any arbitration commenced under Condition 25.2 (*Arbitration*) in respect of that Dispute shall be terminated. Each of the parties to the terminated arbitration shall bear its own costs in relation thereto.

If any notice to terminate the arbitration in accordance with this Condition 25.3 (*Court of Law*) is given after service of any Request for Arbitration in respect of any Dispute, then the Bondholders' Agent must also promptly give notice to the relevant arbitration tribunal formed in accordance with Condition 25.2 in relation to the Dispute that such Dispute shall be settled by a court of law. Upon receipt of such notice by the tribunal, the arbitration and any appointment of any arbitrator in relation to such Dispute shall immediately terminate. Any such arbitrator shall be deemed to be *functus officio*. The termination is without prejudice to:

- (i) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;
- (ii) his entitlement to be paid his proper fees and disbursements; and
- (iii) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

25.4 Submission to Jurisdiction

If a notice pursuant to Condition 25.3 (*Court of Law*) is issued, then the following provisions shall apply:

- (i) subject to paragraph (iii) below, the Omani courts shall have exclusive jurisdiction to settle any Dispute and the Issuer irrevocably submits to the exclusive jurisdiction of such courts;
- (ii) the Issuer agrees that the Omani courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it shall not argue to the contrary; and
- (iii) this Condition 25.4 is for the benefit of the Bondholders' Agent (for and on behalf of the Bondholders) only. As a result, and notwithstanding paragraphs (i) and (ii) above, the Bondholders' Agent may take proceedings relating to a Dispute (**Proceedings**) in any other court with jurisdiction. To the extent allowed by law, the Bondholders' Agent may take concurrent Proceedings in any number of jurisdictions.

CHAPTER 5: USE OF PROCEEDS AND ISSUE EXPENSES

Use of Proceeds

The Issue will be fully paid up as a dividend to Shareholders of the Issuer who hold Ordinary Shares on the Allotment Record Date, on the basis that one Bond will be issued to each shareholder of the Issuer for every 25.5 Ordinary Shares (rounded down) held by such shareholders on the Allotment Record Date. Therefore, the Issuer will not receive any additional proceeds from the Issue.

Estimated Issue Expenses

The estimated issue expenses are given in the following table:

Particulars	Amount (OMR)*
Issuance fees	65,000
Legal and audit fees	10,000
FSA fees	5,000
MCD fees	25,000
Other expenses	15,000
Total estimated issue expenses	120,000

*These are estimates and may change as per actuals.

The Bank will charge 2 Baisa per Bond as Issue Expenses to the investors and any excess, if any, will be borne by the Bank.

CHAPTER 6: ISSUER'S OBJECTIVES AND APPROVALS

Overview

The Bank was registered as Bank Sohar SAOG on the Commercial Register, maintained by the MOCIIP pursuant to the Commercial Register Law (Royal Decree 3/74), in March 2007 and received its commercial banking license from CBO in March 2007. As a full-fledged commercial bank, it is active in all banking segments including corporate banking, investment banking, retail banking, and Islamic banking in Oman. In December 2018, the Bank changed its name from Bank Sohar SAOG to Sohar International Bank SAOG.

In addition to being regulated by CBO, as a public joint stock company whose shares are listed and traded on MSX, the Bank is also regulated by FSA. Apart from this, the Bank's business operations are subject to compliance with the Bank's own policies and procedures and the laws and regulations of the Sultanate of Oman.

Sohar International continues to execute a disciplined international expansion strategy aimed at establishing a robust presence across key global financial corridors. A significant milestone was achieved on May 4, 2025, with the official inauguration of the bank's first overseas branch in Riyadh, Saudi Arabia. Building on this regional momentum, the bank received initial approval from CBO on December 25, 2025 and approval from the Hong Kong Monetary Authority on April 13, 2026 to establish a representative office in Hong Kong.

Objectives of the Bank

Under its Articles of Association, the objectives for which the Bank is established are as stated below:

In accordance with the applicable laws and amendments thereof in the Sultanate of Oman, especially banking authorized activities and restrictions as defined by the regulations and laws of CBO and provisions of the Banking Law, its amendments or alternation thereafter, the objects of the Bank shall be as follows:

- (1) To carry on the business of banking in all its fields, and to transact and to do all matters and things incidental thereto, or which may, at any time hereafter at any place, where the Bank shall carry on business, be usual in connection with the business of banking or dealing in money or securities for money.
- (2) To advance and lend money on real, personal and mixed securities, on cash, credit or other accounts, on policies, bonds, debentures, bills of exchanges, promissory notes, letters of credit or other obligations, or on the deposit of title deeds, merchandise, bills of sale and landing, delivery orders, warehousemen and certificates, notes, dock warrants, or other mercantile or tokens, bullion, stocks and shares.
- (3) To carry on the business of discounting dealing in exchanges, in species and securities.
- (4) To invest money in such manner as may from time to time be thought proper.
- (5) To act as agents for the sale and purchase of any shares or securities or for any other monetary transactions.
- (6) To carry on the business of financiers.
- (7) To contract for public and private loans, and to negotiate and issue the same.
- (8) To act as executors and trustees of wills, settlements and trust deeds of all kinds made by customers and others and to undertake and execute trusts of all kinds,
- (9) To deal with all types of bank notes, coins, currencies, receive and to deposit any monies in current accounts, term deposits, savings accounts and receive precious articles and financial documents for deposit in safes.



- (10) To issue and negotiate bank guarantees and letters of credit, cheque payments, money orders and all other negotiable documents and their collection.
- (11) To sell bonds, certificates, stocks and all other securities.
- (12) To settle negotiable cheques.
- (13) To sell, buy and exchange currencies, monies, bullions.
- (14) To participate in all investments relating to economic activity including participation in companies' share capital.
- (15) To enter into partnership with companies and organizations transacting activities similar to those transacted by the Bank.
- (16) To deposit, lend or advance money with or without security and generally to make or negotiate loans and advances of every kind.
- (17) To encourage saving schemes and mobilize deposits to be employed by the Bank for the purposes of its objectives. This includes acceptance of deposits, with or without interest, and the application of regulations deemed fit by the Bank's Board of Directors for the encouragement of saving schemes and mobilization of deposits, in compliance with licenses and permits issued by the Central Bank of Oman.
- (18) To attract local and foreign capital, arranging or obtaining local or international loans for the Bank and the acceptance of foreign deposits and external loans, provided that such activities comply with the regulations stipulated by the Government of the Sultanate of Oman for this purpose.
- (19) To finance lease and hire purchase and purchase of debts and other extraordinary finance.
- (20) To acquire and discount, hire purchase or other agreements or any rights therein (whether proprietary or contractual) and generally to carry on business and to act as financiers, traders in securities and commission agents or in any other capacity in the Sultanate of Oman and to sell, barter, exchange, pledge, make advances upon or otherwise deal in properties, houses, buildings, flats furnished or otherwise as aforesaid subject to first obtaining the Central Bank of Oman's approval.
- (21) To act as insurance agents, intermediaries or financial advisors for the benefit of its customers and to advise, sell and procure the sale of such services to its customers subject to the Central Bank of Oman's and other necessary regulatory approvals.
- (22) Own, lease and rent movable and real estate assets in accordance with the Banking Law and other related and applicable laws of the Sultanate of Oman, and directives of the Central Bank of Oman.
- (23) Without prejudice to the afore-mentioned conventional banking activities, the Bank may, consistent with the instructions of the Central Bank of Oman:
 - a) carry on the business of Islamic banking in all its fields, and provide banking services in compliance with Islamic Shari'a;
 - b) carry on all works of finance and investment in accordance with the provisions of Islamic Shari'a through different types of Islamic finance and investment, including but not limited to Murahaba, Mudaraba, Musharaka, Ijara, Istisna', etc;
 - c) accept Zakat and unconditional donations and contributions from third parties for the account of the Zakat fund and to spend and utilize such funds for the benefit of others and to the discharge of the Bank's social responsibilities.



Licenses

The Bank is required to obtain and maintain certain licenses, permits and memberships which are renewable, where applicable, in accordance with their terms. The Bank presently holds the following material licenses:

Authority	Description	Expiry Date
Ministry of Commerce, Industry and Investment Promotion	Commercial Registration No. 1014333	27/02/2027
Oman Chamber of Commerce and Industry	Membership Certificate No. 1779	26/03/2026
Central Bank Oman	Commercial Banking License Islamic Banking License	Ongoing as per Banking Law
Financial Services Authority	Investment related activities*	31/12/2027

*Activities covered are Issue of structured instruments, Issue management, Fund management, Portfolio management, Marketing of non-Omani securities and Investment advice & research.

KSA Branch License

Authority	Description	Expiry Date
Ministry Of Investment (MISA)	102114401166003	7/10/2026
Ministry of Commerce (MOCI)	7031653376	28/10/2026
Civil Defence (Salama)	2-001206104-46	23/08/2028
Saudi Postal (SPL)	1075572162	22/05/2026
Central Bank (SAMA)	43028157	NA
Riyadh Municipality	48990301012	16/06/2026
Riyadh Chamber Membership	769934	25/10/2026

Approvals

The Issue has been approved by:

- Resolution of Board of Directors of the Issuer dated 29 January 2026.
- The Issue has been approved by the Shareholders of the bank at an EGM of the Shareholders of the Bank held on 31 March 2026.
- In-principal approval received from CBO, vide its letter no. SD/CPOC/2026/SIB/87 dated 10 March 2026.
- Approval received from FSA vide its Administrative Decision no FSAP - 2026/562 dated 11 May 2026.

CHAPTER 7: BUSINESS OVERVIEW

INTRODUCTION

Established in the year 2007, the inspiring ongoing story of the Bank is one that was shaped as a direct result of a deeper purpose to help people ‘win’ by delivering banking for their ever-changing world. It’s a story driven by a vision to be a world-leading Omani service company that helps customers, communities and people, to prosper and grow. Sohar International has become the fastest growing bank within the Sultanate of Oman and attained recognition in 2024 of being the ‘Best Bank in Oman’. The Bank’s continued success is based on a forward-looking comprehensive strategy resulting in achievement of key milestones, attested by numerous local, regional, and international accolades demonstrating distinction across a wide spectrum of the Bank’s activities and initiatives.

The Bank’s growth story has been proactively supported by its strong shareholder base including significant ownership by Omani Government entities.. With the Board’s inspirational and visionary outlook, the Bank has played a catalytic role for the Sultanate of Oman’s economic advancement, viewing itself as a steadfast partner and contributor to the nation and its people.

Sohar International seeks innovation to add value to every experience. Engaged with a diverse array of customers, products and services that cover Retail Banking , Wholesale Banking , , Investment Banking ,Global Banking & Markets, Wealth Management, and Islamic Banking.. Every segment presents an opportunity to be harnessed into a unique value proposition achieving diversity and contributing towards the Sultanate of Oman Vison 2040. With a clear direction of bringing the best of the world to the Sultanate of Oman and taking the best of the Sultanate of Oman to the world, Sohar International has been establishing partnerships with key international entities with the purpose of adding value to its ecosystem of offerings.

The Bank has positioned itself well within the market and beyond having established presence throughout the country with over 80 locations within the Sultanate, a regional presence within the Kingdom of Saudi Arabia, and an international footprint extending to Hong Kong. The Omni channel approach to banking under the digitalization agenda of the Bank has also taken off with state-of-the-art digital banking platforms the provide retail and corporate clients with seamless, secure, and convenient banking solutions at the touch of their fingertips.

Sohar International strongly believes in the spirit of winning, extending beyond customers through many CSR programs. With increased global focus and importance on ESG factors, the Bank remains committed to incorporating these principles within its business strategies. The Bank’s values complement initiatives in relation to sustainability, diversity & inclusion, and are well aligned with the national agenda to adopt environmental sustainability and social spheres, through effective governance structures.

Awards and Recognition

The Bank has received a number of awards and recognition within its short operating history. Some of the recent awards are:

Sr No.	Award	Organization
2026		
1.	Best Brand in Oman	Alam Al-Iktisaad Awards 2026
2025		
2.	Best Performing Company	Alam Al-Iktisaad Awards 2025
3.	Leadership in Enabling National Initiatives and Progress Award	Alam Al-Iktisaad Awards 2025
4.	Apex Media Awards	Oman’s Most Trusted Brand 2024
5.	IPO Deal of the Year 2024	IPO Deal of the Year 2024
6.	Most Innovative CSR Initiative	New Age Banking Summit Award
7.	Best Digital Transformation Initiative	New Age Banking Summit Award
8.	Best Bank in Growth	New Age Banking Summit Award
9.	Leading Corporate for Investor Relations in the Financial Sector Award	MEIRA Annual Conference 2025
10.	Oman CX Forum	CX Team of the Year
11.	Employer Branding Awards	Middle East Best Employer Brand
12.	Bank of the Year in Digital Innovation	DLive Awards
13.	Most Innovative Islamic Bank in Oman	IFN Awards
14.	Contribution to Capital Markets Development Award	MEIRA Annual Conference 2025
2024		
15.	Bank of the Year 2024 – Oman	The Banker magazine
16.	Best Corporate Banking Oman Award	The Global Business Review Magazine Awards 2024
17.	Digital Leadership in Banking Award	Digital Transformation Awards 2024
18.	Best Government Banking in Oman 2024	International Business Magazine
19.	CEO of the Year in the Banking Sector	Business Today CXO Awards
20.	Best Performing Bank in Oman	OER Corporate Excellence Awards 2024
21.	Exemplary CSR Leadership	Oman CSR Summit and Awards 2024
22.	Most Innovative Digital Bank for Ecosystem Services – Oman 2023	The Annual Global Economics Awards 2023
23.	Straight Through Processing Award (MT202)	JP Morgan Quality Recognition Award
24.	Straight Through Processing Award (MT103)	JP Morgan Quality Recognition Award
25.	Top Omani Brand in the Banking Sector Award	Alam Al Iktisaad Awards
26.	Highest Year-on-Year Growth in Total Assets among GCC Bank	Alam Al Iktisaad Awards



27.	Oman's Best Bank	Euromoney Awards for Excellence
28.	Oman's Best Bank for ESG	Euromoney Awards for Excellence
29.	CEO of the Year - Banking Sector in Oman	Oman Banking & Finance Awards 2024
30.	Best Bank - Large Bank Category	Oman Banking & Finance Awards 2024
31.	Best Mobile App Oman 2024	World Business Outlook annual awards 2024
32.	Best Performing Company in the Large Cap category	Alam Al-Iktisaad Awards
33.	Best Advertising Video Award	The Oman Marketing Impact (TOMI) Awards

STRENGTHS

The Bank's core strengths are its:

- **Diversified portfolio:** Operating across wholesale, retail, conventional, Islamic, and international banking, Sohar International is a universal bank with balanced exposure across key segments and sectors. Wholesale banking comprises over 70% of earning assets, highlighting its strength in serving large-scale clients while still maintaining a growing retail and Islamic segments
- **Strong culture and robust practices of corporate governance:** The Bank maintains clear demarcation between the different layers of the organization. There are clear checks and balances between these different layers, viz. shareholders, board and management. The Bank abides by the rules and regulations of the CBO and FSA in this regard, as well as laws and regulations of other jurisdictions where it has business or present, and strives to adhere to best international practices of corporate governance.
- **Robust risk management framework and systems:** The Bank operates a robust risk management system covering all areas of risk including credit, market, operational, fraud, information security, business continuity, system administration, and residual risk. The risk is evaluated on a transaction basis as well as on a portfolio basis. Risk management is strengthened by historical portfolio analysis, projections, predictions, sensitivity analysis etc. Sufficient process, policies, and triggers are established which is updated at regular intervals to ensure regulators' compliance requirement as well as to support sustainable and inclusive growth.
- **Strong growth:** The Bank has been one of the fastest growing banks in the Sultanate of Oman in terms of total assets since 2007. Sohar International has consistently grown through a combination of strategic initiatives and inorganic expansion. The successful 2023 merger with HSBC Bank Oman SAOG solidified its position as the second-largest bank in the country, while organic initiatives – such as launching operations in the Kingdom of Saudi Arabia and expanding Sohar Islamic – have extended its footprint and diversified its revenue streams. The Bank is also looking to selectively expand its presence in international markets to enhance its cross-border capabilities and growth potential. This dual approach aligns with Oman Vision 2040 and strengthens the Bank's long-term competitiveness.
- **Islamic banking window:** Sohar Islamic was established in full compliance with Shari'a requirements and CBO regulations. It enhances customer choice and market reach, allowing Sohar International to serve a broader demographic and support the growing demand for ethical, interest-free financial services in Oman.
- **Regional and International presence:** SIB KSA commenced its operations in the Kingdom in 2024, establishing itself as a key strategic presence to drive the Bank's regional growth. The branch plays

a pivotal role in strengthening the Omani Saudi trade corridor, facilitating cross border business activities between the two markets. SIB KSA delivers integrated corporate banking and project finance solutions to leading clients, with a clear focus on building long-term relationships with top tier corporates and government-related entities. In parallel, the Bank is accelerating the development of its digital capabilities to enhance client experience, drive efficiency, and expand its transaction banking offering. This disciplined and forward-looking approach positions SIB KSA as a trusted partner of choice, combining strong risk management, execution excellence, and innovation to support sustainable growth.

BUSINESS SEGMENTS

Segment information is presented in respect of the Bank's operating segments. For management purposes, the Bank is organized into the following operating segments based on products and services as follows:

Retail Banking:

Retail banking offers individual customers a wide range of products and services including current and term deposits, housing finance, personal loans, insurance, credit cards, foreign exchange and wealth management products delivering superior customer experience through the Bank's extensive branch network and market leading digital channels.

- **Retail & Premier Banking:** delivers retail products and services to a wide base of individual customers including its Premier customer segment.
- **Wealth Management:** delivers retail products and services as well as wealth management advisory to high-net-worth individuals (HNWI).

Wholesale Banking:

Wholesale banking offers its diversified customer base a wide range of products and services including loans, working capital facilities, project finance, syndicated loans, term deposits, trade financing, cash management, custodial services, treasury, investment banking and funds management, delivered through its dedicated and specialized customer and product groups:

- **Commercial & Global Banking:** delivers wholesale products and services to large corporates as well as small and medium-sized enterprises (SME).
- **Investment Banking:** provides equity and debt capital markets advisory, custodial services, and funds management across all wholesale banking customers in addition to managing the Bank's proprietary investment portfolio.
- **Government & Private Banking:** provides customized value-added products and services to the unique needs of government ministries, public enterprises, NGOs, and ultra-high net worth individuals (UHNWI).
- **International Banking:** provides advisory services to foreign investors seeking to enter the Omani market through direct investments in addition to providing a range of personalized and customized financial solutions to family offices and non-residents.
- **Global Markets:** provides money market, foreign exchange, and derivative products to wholesale banking customers. The treasury team also manages the Bank's overall balance sheet funding, liquidity, and market risk position.



Islamic Banking:

Sohar Islamic, the Islamic banking window of the Bank (**Sohar Islamic**), offers a full range of Islamic banking services and products to individuals and corporates. The principal activities of the window include accepting Shari'a compliant customer deposits, providing Shari'a compliant financing based on Murabaha, Mudaraba, Musharaka, Ijarah, Istisna'a, Salam and providing commercial banking services, investment and other activities permitted under Islamic Banking Regulatory Framework (**IBRF**).

KSA Branch:

The Bank established a Branch in the Kingdom of Saudi Arabia (KSA) in 2023. The KSA Branch currently provides Wholesale Banking services.

Distribution Channels & Touchpoints

Sohar International delivers its products and services through a comprehensive network of branches and a diverse range of distribution channels, designed to provide customers with convenient and accessible banking solutions:

- **Branch Network**
 - Sohar International operates at 59 branches and 3 customer services units
 - Sohar Islamic – Sohar Internationals Islamic banking window operates 21 branches and 2 customer service units
 - Kingdom of Saudi Arabia Branch First regional office situated in Riyadh
- **ATM/CDM Network:**
 - Sohar International operates 115 ATMs of which 79 function as CDM as well
 - Sohar Islamic operates 24 ATMs of which 20 function as CDM as well
 - All customers enjoy accessibility to over 1,000 ATMs nationwide through OmanNet switch
- **Internet Banking:**
 - Secure and user-friendly internet banking platforms for both retail and corporate customers. Services include:
 - Local and international fund transfers
 - Bill payments (for retail customers)
 - Trade finance and payroll services (for corporate clients)
 - Balance inquiries, account statements, and more
- **Mobile Banking App**

Provide customers with access to their accounts enabling them seamless banking & beyond on the go including features:

Beyond Banking:	Banking:
E-Gift	Account Management
Home Improvements	Transfers
Flights	Bill Payments
Hotels	Card services
Recharge	Savings & Investment
Int Mobile Top up	Loan Top ups
Experiences	Contact Us
Insurance	E-KYC
Airport Lounge	IPO(Self-Loan)
Gaming Voucher	Cheque Book request
Royal Oman Police	Track Your Courier
Auto rent	E-Mandate
	Daily Limit Management

- **Call Centre**
 - Provides 24/7 support to retail, corporate and Sohar Islamic clients
- **Direct Sales Agents**
 - A team of dedicated agents offer tailored and bundled banking solutions to both existing and prospective customers, enhancing product accessibility and customer engagement.
- **Social Media**
 - To further enhance customer interaction and service accessibility, the Bank actively engages with customers via social media platforms. These channels are used to share updates, promote financial literacy, provide real-time support, and listen to customer feedback.

Information Technology

The Bank's Technology strategy is centered on delivering reliable and secure digital services to customers and employees, while continuously evolving to meet future operational and growth needs. In alignment with this strategy, the Bank is accelerating digitalization across its platforms, embedding advanced analytics and artificial intelligence to enhance efficiency, strengthen risk management, and personalize customer experiences. For customers, this means convenient and intelligent banking solutions that go beyond traditional digital services, while for internal businesses, AI-driven tools and automated processes enable smarter decision-making and improved service delivery. The Bank also maintains a robust disaster recovery site on remote premises, ensuring uninterrupted access to critical systems and data, thereby safeguarding the continuity of essential services in a rapidly digitalized environment.

Legal Proceedings

The Bank does not have any major/material legal proceedings pending in a court of law in the Sultanate of Oman, either instituted by, or against the Bank, other than normal cases filed by clients in the normal course of business. The cases filed by and against the Bank in relation to its borrowers are in the normal course of business.



Recently, the Bank became aware of a lawsuit filed in the United States of America against the Bank and a number of other Omani banks and financial institutions. The lawsuit relates to claims of infringement of a U.S.-registered patent through the use of the clearing system of the Central Bank of Oman (**MpClear**). Our preliminary assessment indicates that the claim lacks any legal basis. This assessment has been supported by the opinion of the US counsel hired to represent the Bank and the other Omani financial institutions in their defense of the lawsuit. It should be noted that the plaintiffs had previously filed similar lawsuits in both the Sultanate of Oman and the Kingdom of Saudi Arabia against other parties on the same grounds, and such lawsuits were dismissed by the courts in both jurisdictions.

Corporate Social Responsibility

Sohar International plays an active role in supporting the Sultanate of Oman's broader development agenda, going beyond traditional banking to make meaningful contributions to society, the economy, and national well-being.

In the first quarter of the year, the bank announced its support to the families impacted by the adverse weather conditions (Al Masarat) that the Sultanate Faced during the beginning of the year. The bank donated OMR 100,000 to Oman Charitable Organization to be dedicated to relief contributions for these impacted families.

The Bank also contributed to Fak Kurba initiative for the second consecutive year, contributing to the humanitarian efforts and strengthening social unity across the sultanate.

Further strengthening its community outreach, Sohar International's "Sohar | Al Ata" convoy delivered essential provisions to underprivileged families in Wilayat Mhoot and Wilayat Al Jazir. The support included freezers to the fishermen in both wilayats. This employee-led initiative, conducted in collaboration with local charitable teams, exemplifies the Bank's grassroots approach and hands-on involvement in addressing local community needs.

Partnering with a number of NGOs, the bank delivered a number of initiatives targeted towards the people with disabilities. These initiatives included Al Noor Association for the Blind in Sohar, where the bank supported a Training program tailored for the visually impaired individuals to enhance their business skills

Continuing its support to empowering Omani Women, the bank supported the Omani Women's Association in Bousher in delivering training program titled "Itqan". This was a strategic empowerment initiative designed to support Omani women through values-based development and skill-based capacity building.

Further strengthening its outreach to the people with disabilities, the Bank supported the Association for Early Intervention by funding the Orthotic Development Program for Children with Disabilities.

The Bank also extended its support to Takaful Charity Team in Sohar through installing 15 plastic recycling containers across various locations in the wilayat, helping raise awareness around the importance of recycling and preserving the environment.

The bank's support also reached Al Sharqiya region, supporting Sinaw Health Committee in establishing a health awareness laboratory for school students, focusing on raising health awareness and protecting the community from harmful behaviors like drug, tobacco, and e-cigarette use.

Environmental, Social, and Governance

At Sohar International, our commitment to business sustainability guides every strategic decision as we grow beyond local markets and strengthen our international presence. We define sustainability as; the most efficient and responsible use of all resources including financial, human, technological, and natural, to create long-term value for all stakeholders. By embedding ESG into our banking model, Sohar International empowers individuals, businesses, and communities to thrive in a changing world, locally and globally.

In recognition of the critical role the Bank can play in enabling and supporting the Sultanate's commitment



to sustainable and inclusive economic development, Sohar International were first movers in establishing an ESG function. We are also proud to be the first Omani bank to secure an International Finance Corporation (IFC) Green Loan, with a robust Environmental and Social Management System (ESMS).

We actively support sustainable investments by channeling capital toward projects that drive positive environmental and social outcomes as well as commercially feasible through various funding options such as green funds, clean energy financing, socially responsible lending, or ESG-aligned asset management. Our goal is to enable inclusive economic development while reducing risk and unlocking growth opportunities in emerging sustainable sectors. Additionally, we believe in economic inclusion of the underserved community segments via designing special financing solutions that target specific sectors such as fisheries, agriculture and other sectors, aiming to enhance their contribution to the national GDP.

Our ESG vision

To be an enabler and leader of positive social, environmental and economic impact and change, supporting our stakeholders (partners, investors, people, customers, and communities) to prosper and grow.

ESG Approach

Our ESG approach is guided by our ESG Framework which reflects a deep institutional commitment to responsible financing, sustainable development, and stakeholder trust. This framework integrates policy, process, and purpose into a cohesive business strategy. Our ESG Policy also serves as a declaration of our commitment to sustainability and sustainable development whilst providing direction on the Bank's approach for management of ESG issues.

Moreover, Sohar International has conducted its double materiality assessment this year which is a critical step in aligning the bank's ESG approach with the best international practices. Double materiality recognizes that sustainability is not only about how our business affects society and the environment, but also about how environmental, social, and governance factors directly influence our financial performance and resilience. By capturing both financial and sustainability dimensions, our double materiality assessment ensures that bank's strategy is comprehensive and balances shareholder value with societal impact. It also strengthens the ability to identify risks, seize opportunities, and allocate capital responsibly, reinforcing Sohar International's vision.

Channels of Contact with Shareholders and investors

The Bank is committed to ensure timely disclosure and communication of all material information to the shareholders and the market. The Bank prepares, publishes and sends investor-related information in the quarterly, half-yearly reports and the annual report as per the statutory guidelines.

Under full supervision of the Board of Directors, the management takes responsibility for the preparation, integrity and fair presentation of the financial statements and other information in the annual report.

The financials of the Bank are available on the MSX's website at www.msx.om and also on the website of the Bank at <https://www.sib.om/investor-relations>. The Bank also makes timely disclosures of all material information on the MSX's website strictly in line with applicable laws and regulations.

CHAPTER 8: FINANCIAL REVIEW

The financial statements of the Bank including for FY2022, FY2023, FY 2024 and for FY2025 can be viewed on the MSX's website at www.msx.om or the Bank's website at <https://www.sib.om/investor-relations>.

CHAPTER 9: RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Bank enters into transactions with related parties, including transactions with certain of its directors, shareholders, senior management, Shari'a supervisory board, Shari'a reviewer and companies in which they have a significant interest. These transactions are conducted on an arm's length basis and are approved by the Bank's management and Board of Directors and in accordance with applicable laws and regulations.

For a summary of related party transaction please refer to the financial statements of the Bank can be viewed on the MSX's website at www.msx.om or Bank's website at <https://www.sib.om/investor-relations>.

CHAPTER 10: RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. Most of these factors are contingencies which may or may not occur and the Issuer is not able to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Bonds are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in connection with the Bonds, but the inability of the Issuer to pay any amounts on or in connection with any Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. The Issuer does not represent that the risk factors below are exhaustive.

Words and expressions defined in the "Terms and Conditions" section of this Prospectus shall have the same meaning as in this section.

Risks relating to the Bonds

Risk of Write-down

If a Non-Viability Event occurs at any time, then the Bonds shall be cancelled (in the case of a Write-down in whole) or written-down in part on a pro rata basis (in the case of a Write-down in part). All rights of any holder of Bonds for payment of any amounts under or in respect of the Bonds shall, as the case may be, be cancelled or written-down pro rata among the Bondholders. These rights shall not be restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Event or notice in relation thereto and even if the Non-Viability Event has ceased.

A Write-down shall only take place with the prior written approval of the CBO. A Write-down shall not constitute an Event of Default. The Bonds shall not convert into Ordinary Shares in accordance with the Conditions. Investors should also be aware that the application of a non-viability loss absorption feature (such as Write-down upon occurrence of Non-Viability Event) has not been tested in Oman and some degree of uncertainty may exist in its application.

The occurrence of a Non-Viability Event is inherently unpredictable and depends on a number of factors, many of which are outside the Issuer's control. The likelihood of the occurrence of a Non-Viability Event is subject to, amongst other things, a subjective determination by the Regulator in circumstances that may be beyond the control of the Issuer and either with which the Issuer or the Bondholders or both may not agree.

The Bonds are securities in respect of which there shall be no redemption by cash

The Bonds are securities in respect of which there shall be no cash redemption. The Bondholders may not at any time demand repayment or redemption of their Bonds. The Bonds shall be mandatorily converted into Ordinary Shares in accordance with Condition 4.1 (*Mandatory Conversion*) on the Conversion Date.

The Issuer is not required to repay principal on the Bonds

Although the Bonds are a form of subordinated debt securities, the Issuer is never required to repay the principal amount at maturity. Instead, on the Conversion Date, the Bonds shall be mandatorily converted into Ordinary Shares at the stipulated Conversion Ratio in accordance with Condition 4.1 (*Mandatory Conversion*), which may have a market value significantly less than the principal amount of the Bonds.

Accordingly, bondholders are exposed to fluctuations in the value of the Ordinary Shares into which the Bonds shall be converted upon maturity.



Interest on the Bonds shall be due and payable only at the sole and absolute discretion of the Issuer and the Issuer may cancel interest payments (in whole or in part) at any time. Cancelled interest shall not be due and shall not accumulate or be payable at any time and Bondholders shall have no rights to cancelled interest

Interest on the Bonds shall be due and payable only at the sole discretion of the Issuer. The Issuer shall have sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any Interest Payment Amount that would otherwise be payable on any Interest Payment Date. Interest Payment Amount shall only be due and payable on an Interest Payment Date to the extent it is not cancelled in accordance with the terms of the Bonds. If the Issuer does not make an interest payment on the relevant Interest Payment Date (or if the Issuer elects to make a payment of a portion, but not all, of such Interest Payment Amount), such non-payment shall evidence the Issuer's exercise of its discretion to cancel such Interest Payment Amount (or the portion of such Interest Payment Amount not paid), and accordingly such Interest Payment Amount (or the portion of it not paid) shall not be due and payable.

In addition to the Issuer's right to cancel (in whole or in part) interest payments at any time, the terms of the Bonds also restrict making interest payments on the Bonds in certain circumstances, in which case such interest shall be deemed to have been cancelled. Interest that is deemed cancelled shall not be due and shall not accumulate at any time and Bondholders shall have no rights to cancelled interest

If either:

- (a) the Issuer makes a Non-Payment Election; or
- (b) a Non-Payment Event occurs,

then the Issuer shall not make an Interest Payment Amount on the Bonds on any Interest Payment Date (and that interest payment shall be deemed to have been cancelled and shall not be due and payable on such Interest Payment Date).

Any interest which is not paid shall not accumulate or compound and Bondholders shall have no right to receive interest not paid at any time, even if interest is paid in the future. Any interest which is not paid shall not constitute an Event of Default.

Risks relating to the status of the Bonds

The Obligations are subordinated to the Senior Obligations and rank pari passu with the Pari Passu Obligations and rank in priority only to all Junior Obligations. The Obligations are neither secured nor guaranteed by any entity and are not subject to any other arrangement that legally or economically enhances the seniority of the claims of Bondholders as against the Senior Obligations and the Pari Passu Obligations.

If the Issuer were to be wound up, liquidated or dissolved, then the Issuer's liquidator would apply the assets of the Issuer to satisfy all claims of creditors in respect of Senior Obligations in priority to the claims of the Bondholders and pari passu with creditors whose claims are in respect of Pari Passu Obligations. If this was to occur, then there may not be sufficient assets to satisfy the claims of the Bondholders in full.

Bondholders shall not be entitled to any rights with respect to the Ordinary Shares, but shall be subject to all changes made with respect to the Ordinary Shares

Bondholders in their capacity as Bondholders shall not have any rights either to participate in shareholders' meetings, cast any shareholder voting rights, rights to receive either dividends or other distributions or any other rights at all with respect to Ordinary Shares.

There may be circumstances in which the Issuer is unable to complete the Conversion of the Bonds on either the Conversion Date

The Issuer may become legally barred from delivering or otherwise be unable to deliver the Ordinary



shares upon Conversion of the Bonds. If this were to occur, then the Conversion shall complete as soon as the Issuer is able to do so. In such a case, the rights and claims that the Bondholders would otherwise have against the Issuer to convert their Bonds into Ordinary Shares shall be suspended for the time in which the Issuer is unable to deliver the Ordinary Shares. The price of the Ordinary Shares may fall during such a period, which would negatively affect the value of the Bonds.

There is no restriction on the amount or type of further securities or indebtedness that the Issuer may issue, incur or guarantee

Subject to complying with applicable regulatory requirements, there is no restriction on the Issuer issuing securities (including convertible securities) similar to the Bonds in the future and no assurance can be given that such an issuance shall not occur. The issue of any such securities or the incurrence of any such other liabilities (Senior Obligations or Pari Passu Obligations) may reduce the amount (if any) recoverable by Bondholders on liquidation or winding-up of the Issuer.

No anti-dilution features in the Bonds

The Conversion Ratio is not subject to adjustment for any corporate or other event, including but not limited to the following: extraordinary cash dividends, stock dividend, bonus shares, increases in share capital, the distribution of reserves, absorption, merger, spin-off, division or buy-backs of share capital. There is no legal requirement that there should be an adjustment for every corporate or other event that may affect the market price of the Bonds or the Conversion Ratio. Accordingly, the occurrence of a corporate and/or other event mentioned above may adversely affect the market value of the Bonds.

All classes of Ordinary Shares issued upon Conversion of any Bond shall be identical in all respects. Consequently, the rights of Bondholders may be diluted as against other shareholders if further Bonds are converted into Ordinary Shares.

An active second market in respect of the Bonds may never be established or may be illiquid

There is no assurance that a secondary market for the Bonds shall develop or, if it does develop, that it shall provide the Bondholders with liquidity or that it shall continue for the life of the Bonds. If a market for the Bonds does develop then it may not be very liquid. Bondholders may not be able to either sell their Bonds easily or at prices that shall provide them with a yield comparable to similar investments that have a developed secondary market. The market value of the Bonds may fluctuate and a lack of liquidity can have a material adverse effect on the market value of the Bonds. The Bonds generally may have a more limited secondary market liquidity and may be subject to greater price volatility than conventional debt securities as the Bonds are subordinated and shall be converted into equity on the Conversion Date.

Modification risk

The Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. The Conditions also provide that the Bondholders' Agent and the Issuer may agree, without the consent of Bondholders, to any modification of any Bonds, in the circumstances specified in the Conditions insofar as they do not contradict the Bonds and Sukuk Regulations and the relevant laws.

The Bonds are subject to modification by a majority of Bondholders without the consent of all Bondholders

The Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally, including the modification or abrogation of any of the Conditions (which shall also be subject to the approval of the FSA) or any of the provisions of the Declaration of Agency. In line with the Commercial Companies Law (CCL), these provisions permit defined majorities, in accordance with the Bonds and Sukuk Regulations, to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting or otherwise exercise their voting rights and Bondholders who voted in a manner contrary to the majority.



The Declaration of Agency and other Transaction Documents may be modified without the consent of or notice to the Bondholders

The Conditions and Declaration of Agency include provisions permitting the Bondholders' Agent to: (i) agree with the Issuer, without any consent or sanction of the Bondholders, to any modification of any of the provisions of the Declaration of Agency or any other Transaction Document that is, in the opinion of the Bondholders' Agent, of a formal, minor or technical nature or is made to correct a manifest error; or (ii) agree to any other modification (except as mentioned in the Declaration of Agency), or to any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Declaration of Agency or the Transaction Documents; or (iii) determine that any Events of Default or Potential Events of Default (as defined in the Declaration of Agency) shall not be treated as such provided that such modification, waiver, authorisation or determination is, in the sole opinion of the Bondholders' Agent, not materially prejudicial to the interest of the Bondholders and is not in respect of a Reserved Matter (as defined in the Declaration of Agency). Unless the Bondholders' Agent decides otherwise, any such modification shall be notified as soon as practicable by the Issuer to the Bondholders in accordance with Condition 13 (*Notices*) of the Conditions and shall, in any event, be binding upon the Bondholders, in all instances without contravening Article 155 of the CCL.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) the Bonds are legal investments for it; (ii) the Bonds can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

Limited rights of individual Bondholders

The protection and exercise of the Bondholders' rights against the Issuer is one of the duties of the Bondholders' Agent. The Conditions limit the ability of individual Bondholders to commence proceedings against the Issuer. The ability of any Bondholder to commence any such individual action against the Issuer is limited to where the Bondholders' Agent, having become bound to proceed, either fails to do so within a reasonable period and such failure is continuing or is unable by reason of an order of a court to do so and in each case, the relevant Bondholder (or such Bondholder together with the other Bondholders who propose to proceed directly against the Issuer) holds at least 10% of the aggregate nominal amount of the Bonds then outstanding.

Risks relating to the Issuer

Competition risks

The Issuer operates in a competitive business environment where it faces competition from other commercial banks, specialized banks and finance companies. This could result in increased pressure on the level of business which may have a negative impact on margins and profitability. In turn, this could have a material adverse effect on the Issuer's business and operating results and, consequently, the Issuer's ability to make payments in respect of the Bonds.

Regulatory risks

The suspension, cancellation or restrictions imposed on the Issuer's banking license may result in the Issuer becoming incapable of carrying on all its activities. This may have a material adverse effect on the Issuer's business and operating results. In turn, this could affect the Issuer's ability to make payments in respect of the Bonds. If there are any changes to the laws and regulations in future that impact the Conversion, this would need to be assessed at the time of such new laws and/or regulations.



Banking risks

Banks, including the Issuer, are faced with a number of risks arising from the nature of their business which includes credit risk (such as default by borrowers or counterparties), interest rate risk (such as adverse movement in market rates), liquidity risk (such as inability to meet financial obligations when they become due and to obtain required amount of funding at economical rates), currency risk (such as adverse movement in foreign exchange rates), price risk (such as adverse changes in the market prices of securities, investments and assets), operational risk (such as risk of fraud, errors or improper documentation), technology risk (such as data loss, interruptions and obsolescence) and reputational risk (such as risk that litigation, misconduct, operational failures, negative publicity and press speculation, whether valid or not, shall harm its reputation which may adversely affect its financial position, business and profitability). Any of these risks could affect the Issuer causing it to incur financial and business losses. If this were to have a material adverse effect on the Issuer's business, results of operations, financial condition, liquidity or prospects then, in turn, this could affect the Issuer's ability to make payments in respect of the Bonds.

Credit risks

Credit risk is the risk that one party to a financial instrument shall fail to discharge an obligation and cause the other party to incur a financial loss. This risk is inherent in the Issuer's business. Credit risks could arise from a deterioration in the credit quality of specific counterparties of the Issuer. This could be from a general deterioration in local or global economic conditions or from systemic risks within the financial system. This could affect the recoverability and value of the Issuer's assets and require an increase in the Issuer's provisions for the impairment of its assets and other credit exposures. This could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects and thereby affect the Issuer's ability to make payments in respect of the Bonds.

Market risks

Market risks arise from changes in market rates such as interest rates, foreign exchange rates and equity prices. The Issuer's management of market risk is designed to limit the number of potential losses on open positions that may arise due to unforeseen changes in interest rates, foreign exchange rates or equity prices. Notwithstanding that, if there was an unforeseen level of volatility, this could have an adverse effect on the Issuer's business, financial condition, results of operation and prospects and thereby affect the Issuer's ability to make payments in respect of the Bonds.

Business continuity risks

The Issuer's business may be affected by natural disasters and accidents such as fire, which may result in interruption of business, loss of property, records and information. Any interruption or threat, real or perceived, to the Information Technology (**IT**) system of the Issuer could significantly affect its operations. If significant, then these could have a material adverse effect on the financial position of the Issuer which, in turn, could affect the Issuer's ability to make payments in respect of the Bonds.

Legal risks

The Issuer has a risk of losses occurring due to legal or regulatory action that invalidates or otherwise precludes performance by the Issuer or any of its counterparties under the terms of its contractual agreements. Any such legal or regulatory action could significantly impact its operations which could have a material adverse effect on the Issuer's business, financial condition, results of operation and prospects and thereby affect the Issuer's ability to make payments in respect of the Bonds.

Critical accounting estimate risks

The preparation of financial statements requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and report amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily



apparent from other sources. The resulting accounting estimates shall, by definition, seldom equal the related actual results. If the estimates prove to be materially incorrect, then this could mean the amounts of assets, liabilities, income and/or expenses are incorrect. This could have a material adverse effect on the Issuer's business, financial condition, results of operation and prospects and thereby affect the Issuer's ability to make payments in respect of the Bonds.

Interest rate risk

Interest rate risk is the risk of deviations in earnings or economic value due to adverse movement of the yield curve. It is inherent primarily to the banking book mainly through an advances and deposits portfolio.

The interest rate exposure of the Issuer arises due to mismatches between contractual maturities or repricing of on and off-balance sheet assets and liabilities.

The sensitivity of the statement of income is the effect of the assumed changes in interest rates on the earnings for one year, based on the variable interest rate, non-trading financial assets and financial liabilities held at the reporting date.

If there is a material deviation in earnings or mismatch in contractual liabilities, then this could have a material adverse effect on the Issuer's business, financial condition, results of operation and prospects and thereby affect the Issuer's ability to make payments in respect of the Bonds.

Liquidity risk

Liquidity risk is the risk of loss faced by the Issuer resulting from its inability to meet its financial obligations. It includes the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame. The Issuer's funding activities are based on a range of instruments including deposits, other liabilities and assigned capital. Consequently, funding flexibility is increased and dependence on any one source of funds is reduced.

Disruptions, uncertainty or volatility in the capital and credit markets may limit the Issuer's ability to refinance maturing liabilities and increase the cost of such funding. The availability to the Issuer of any additional financing it may need shall depend on a variety of factors, such as market conditions, the availability of credit generally and to borrowers in the financial services industry specifically, and the Issuer's financial condition, credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of the Issuer's financial prospects. In turn, this could affect the ability of the Issuer to meet its payment obligations in respect of the Bonds.

Failure to maintain adequate regulatory capital, capital adequacy norms

Banks in Oman are subject to capital adequacy requirements imposed by the CBO. The CBO requires all banks to maintain a minimum capital adequacy ratio. A failure by the Issuer to maintain its minimum capital adequacy ratio may result in administrative actions against it by the CBO which may have a detrimental effect on the Issuer's business. In turn, this could affect the ability of the Issuer to meet its payment obligations in respect of the Bonds.

Risk of dependence on key personnel

The success of the Issuer depends, in part, on the Issuer's ability to continue to attract, retain and motivate qualified and skilled personnel. The Issuer relies on its senior management for the implementation of its strategy and its day-to-day operations. If the Issuer were unable to retain key members of its senior management and/or hire new qualified personnel in a timely manner, this could have an adverse effect on the operations of the Issuer, its business and profits.

The Issue, and the Issuer, is subject to evolving regulatory requirements

The primary regulations governing the issuance of bond and Sukuk instruments in Oman is Ministerial Decision No. KH/21/2024 (the **Bond and Sukuk Regulations**). The Bond and Sukuk Regulations cover the issuance of bond and Sukuk instruments and they came into force on 21 March 2024. The Bond and Sukuk



Regulations provide for minimum requirements for issuing such securities in Oman, including (among other things) timelines for retaining transaction documents and for obtaining approvals from the FSA to any issuance.

No certainty can be given as to its effects on the Bonds, including any effect on the pricing of the Bonds in any secondary market. More generally, the Issuer shall not always be able to predict the effect of recent or future legislation or regulation or changes in the interpretation or operation of existing legislation or regulation (including the Bond and Sukuk Regulations) on its business, results of operations and financial condition. Changes in government policy, legislation or regulation interpretation applying to the Issuer in any of the markets in which it operates, which may be applied retrospectively, may adversely affect capital requirements, dividends payable and, consequently, financial results.

Each of the above factors, if they were to have a material adverse effect on the business, financial condition, or prospects of the Issuer, could affect the ability of the Issuer to meet its payment obligations in respect of the Bonds.

Risks relating to the market in which the Issuer operates

Economic risks

The global, as well as Oman's, economic performance has a direct impact on the Issuer's performance. Any change in the economic environment could have an impact on the Issuer's operations and performance.

Any future credit rating downgrade of Oman may result in increased cost of borrowing or may limit the Issuer's ability to raise further capital at low costs which in turn could have a material adverse effect on its business, financial condition, results of operations or prospects.

Change in laws, regulations and rules

The Issuer is supervised by the CBO, FSA and MOCIIP. The government may implement regulations or fiscal or monetary policies, or otherwise take actions which could have a material adverse effect on the Issuer's business. Any of these factors could adversely affect the economy and growth of Oman and consequently the Issuer's business.

Any changes to the applicable laws or regulations including the regulations relating to capital adequacy, Basel regulatory framework and subordinated bond instruments could affect the value of the Bonds, in particular in the secondary market.

Downgrade in the Issuer's credit rating

The Issuer's credit ratings, which are intended to measure its ability to meet its debt obligations as they mature, are an important factor in determining the Issuer's cost of borrowing funds. The interest rates of the Issuer's borrowings are partly dependent on its credit ratings. As at the date of this Prospectus, the Issuer has Long-term of Baa3 from Moody's as of July 2025 and Long Term of BB+ from Fitch Ratings as of December 2025.

A downgrade of the Issuer's credit ratings, or being placed on a negative rating watch, may increase its cost of borrowing and have a material adverse effect on its business, results of operations and financial condition. A downgrade of the Issuer's credit ratings (or announcement of a negative ratings watch) may limit its ability to raise capital and may also affect the market value of the Bonds, in particular in the secondary market.



Risks relating to investments in Oman and the GCC region

Emerging markets such as Oman are subject to greater risks than more developed markets. Financial volatility in emerging markets could negatively impact the Issuer's business performance.

Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in, and are familiar with, investing in emerging markets. Emerging markets such as Oman are subject to rapid change and that the information set out in this Prospectus may become outdated relatively quickly. Financial turmoil in any emerging market country tends to adversely affect confidence in other emerging market countries and may cause investors to move their money to more developed markets. As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Oman and adversely affect its economy. During such times, companies that operate in emerging markets can face severe liquidity constraints as foreign funding sources are withdrawn. Even if Oman's economy remains relatively stable, financial turmoil in any other emerging market could adversely affect the Issuer's business performance, as well as result in a decrease in the price of the Bonds.

Companies located in emerging markets may be particularly susceptible to disruptions in the capital markets and the reduced availability of credit or the increased cost of debt, which could result in them experiencing financial difficulty. The availability of credit to entities operating within the emerging markets is significantly influenced by levels of investor confidence in such markets as a whole and so any factors that impact market confidence (for example, a decrease in credit ratings or state or central bank intervention) could affect the price or availability of funding for entities within any of these markets.

Specific country risks that may have a material impact on the Issuer's business performance, operating results, cash flows and/or financial condition include:

- regional political instability, including government or military regime change, riots or other forms of civil disturbance or violence, including through acts of terrorism;
- military strikes or the outbreak of war or other hostilities involving nations in the region;
- a material curtailment of the industrial and economic infrastructure development that is currently underway across the Middle East and North Africa (**MENA**) region;
- government intervention, including expropriation or nationalisation of assets or increased levels of protectionism;
- limited overall market liquidity;
- an increase in inflation and the cost of living;
- cancellation of contractual rights, expropriation of assets and/or inability to repatriate profits and/or dividends;
- increased government regulations, or adverse governmental activities, with respect to price, import and export controls, the environment, customs and immigration, capital transfers, foreign exchange and currency controls;
- arbitrary, inconsistent or unlawful government action;
- changing tax regimes, including the imposition or increase of taxes in tax favourable jurisdictions such as Oman;
- difficulties in staffing and managing operations;
- difficulties and delays in obtaining governmental and other approvals for operations or renewing existing ones; and
- potential adverse changes in laws and regulatory practices, including legal structures and tax laws.



Investors should be aware that a worsening of current financial market conditions, instability in certain sectors of the Omani economy or a major political upheaval in Oman could lead to decreased investor and consumer confidence and market volatility, which could have an adverse effect on the Issuer's business performance and prospects.

Oman is located in a region that is subject to ongoing economic concerns.

Oman has undergone widespread economic and political reform since the 1970s, resulting in significantly increased stability and economic growth in the country.

The oil and gas industry has traditionally been the basis of the economic development. Economic growth and stability may be impacted by the volatile oil and gas prices globally which could, in turn, have a material adverse effect on the Issuer's business. As part of the government's Vision 2040 programme, the government of Oman's economic targets include continuing the diversification of the Oman economy away from oil and gas. There can be no assurance that such stability and growth shall continue. Any shift in the political priorities within Oman or strife within the region could have a material adverse effect on the Issuer's business.

No assurance can be given that the government shall not implement either regulations or fiscal or monetary policies, or otherwise take actions which could have a material adverse effect on the Issuer's business. The Issuer's business may also be adversely affected by political, economic and related developments both within and outside the countries in which it operates because of such countries' inter-relationships with global financial markets.

Oman's efforts to diversify its economy, decrease government spending and implement more extensive and higher rates of tax collection may not be successful.

The government has a long-term strategy of diversifying Oman's economy away from its reliance on oil as the single major revenue source, but there can be no assurance that Oman's efforts to diversify its economy and reduce its dependence on oil shall be successful. Oman's attempts to diversify may mean that it undertakes projects in areas in which it has little or no previous experience or for which there are significant economic risks. Oman's ability to engage in large-scale infrastructure projects and other large expenditures that support its diversification efforts could be reduced, or the projects themselves made economically unfeasible by reduced oil prices.

CHAPTER 11: CORPORATE GOVERNANCE

Shareholders

The table below shows the Bank's 5 largest shareholders¹.

#	Investor Name	Holding Percentage (%)
1	Royal Court Affairs	19.4
2	Dhofar International Development & Investment Holding Co SAOG	13.1
3	The Seventh Moon Investments LLC	6.4
4	Neptune National Investments LLC	5.5
5	Western Sea Investments LLC	5.4

Corporate governance framework

Corporate Governance Philosophy within the Bank has been developed within the directives and guidelines of the CBO, the FSA and the CCL. The four universal values synonymous with corporate governance – accountability, fairness, responsibility and transparency – underpin the Bank's Corporate Governance approach.

Corporate governance is a set of processes, customs, policies, laws and practices affecting the way an organisation – namely the Bank – is directed, administered or controlled. Corporate governance also covers the relationships between the many parties or stakeholders involved with the Bank, and the aims and objectives for which the Bank is governed. The principal relationships for the Bank include those between the shareholders, management, and the Board of Directors. Other relationships include customers, employees, regulators, suppliers, the environment and the community in which the Bank operates. Additionally, governance relates to economic efficiency, through which the Bank's governance system aims to optimize economic results, thereby placing emphasis on the shareholder's welfare.

The Board of Directors of the Bank are committed to the highest standards of Corporate Governance. The Bank is committed to lead by example in the letter and spirit of the Code of Corporate Governance issued by Financial Services Authority on July, 2015, and the regulations for Corporate Governance of Banking and Financial Institutions issued by CBO. Both are the principal codes and drivers of effective corporate governance in the Sultanate of Oman. The Bank has complied with all their provisions, except for certain instances, which are included in the 'Statement of Compliance' section of this report. The FSA Code of Corporate Governance can be found at the following website www.fsa.gov.om.

The Bank's Corporate Governance Framework requires that the Board of Directors, and the Shari'a Supervisory Board for Sohar Islamic (the Islamic Window of the Bank), and management shall:

- Maintain the highest standards of corporate governance and regulatory compliance.
- Promote transparency, accountability, responsiveness and social responsibility.
- Conduct its affairs with its Shareholders, customers, employees, investors, vendors, government and the society at large in a fair and open manner.
- Create an image of the Bank as a legally and ethically compliant entity.

¹ The table represents the stakes as of 31st December 2025. The share of the Bank are listed on the MSX.

Board of Directors

The Bank's Board of Directors is the highest governing authority within the Bank's structure. Its role is to ensure that the Bank conducts itself in accordance with its core values and develops them further on a continuous and sustainable basis. The Board consists of professionals from various fields and professions and gives representation to the stakeholders and administrators in the decision-making process. The Board composition includes 6 independent directors, out of 7, which represents a percentage of 85 percent independent directors. This structure enables meaningful discussions, and an unbiased and qualitative view of matters placed before it.

There is a clear segregation between the ownership of the Bank and management. The role of the Chairman of the Board, and that of the chief executive officer are separated, with clear separation of responsibilities between the running of the Board, and executive management's responsibilities in terms of running the Bank's operations. As per applicable regulations, the chief executive officer is prohibited from holding a role in the Board. The Board is responsible for overseeing how management serves the long-term interests of shareholders and other key stakeholders

Powers of the Board

The Board shall have full authority to perform all acts required for the management of the Bank pursuant to its objects. Such authority shall not be limited or restricted except as provided by law or by the Articles of Association or by a resolution of the Shareholders. Some of the principal functions of the Board include:

- To approve the Bank's commercial and financial policies together with its estimated budget with a view to achieving the objects of the Bank and to maintain and promote the rights of its Shareholders
- To develop, review and update necessary plans from time to time in order to put into operation the Bank's objectives and carry out its activities in the light of the purpose underlying its establishment
- To adopt the Bank's disclosure measures and to follow up the implementation thereof in accordance with the disclosure rules and guidelines issued by FSA
- To supervise the performance of the executive management and to ensure that the work proceeds in a manner which achieves the Bank's objectives in the light of the purpose underlying its establishment
- To review the material transactions with the related parties, which are not in the ordinary course of business prior to the same being brought before the general meeting of the Bank
- To reviewing the Bank's performance to evaluate whether the business is being properly managed
- To nominate the members of the subcommittees and specify their roles, responsibilities and power
- To provide accurate information to the Shareholders on the dates specified by FSA in the disclosure rules and guidelines
- To appoint the Chief Executive Officer provided that neither of them shall be the Chairman of the Board of Directors and to appoint staff who shall work with them pursuant to the organizational structure of the Bank and to specify their rights and duties
- To approve the financial statements related to the Bank's business and work results as submitted to the executive management to the Board quarterly, in a way which reflects the exact financial position of the Bank
- To include in the annual report presented to the General Meeting the reasons which justify the ability of the Bank to pursue its specified activities and the achievement of its objectives
- To appoint a Secretary to the Board in its first meeting and to hold at least four meetings per annum provided that a maximum period of four months should not lapse between two consecutive meetings
- To include in the financial statements a full statement of all amounts which a director might have



received during the course of each year including money paid to directors in their capacity as employees of the Bank.

CBO has also outlined the responsibilities of the Board of Directors of a licensed bank and some of the key aspects of these responsibilities include:

- a) The Board shall exercise its collective mind independently on all policy matters and shall not be limited by the submissions or presentations made to it.
- b) The Board shall ensure that it has an organizational structure in place to provide adequate checks and balances and functionality for guarding licensed banks from the undue influence of any internal and external sources having a bearing on corporate governance.
- c) The Board shall recruit and develop talented and capable senior management who will enjoy the Board's confidence. It is of crucial importance for the Board to have in place a well thought out management succession plan.
- d) It is the responsibility of the Board to approve and monitor a risk management framework that reflects best practices and implements the risk management strategies approved by the Board, across all business activities and operations.
- e) While the Board depends on the management's expertise to run banks' daily operations, it remains ultimately responsible for monitoring thereof. The Board is expected to exercise utmost caution to ensure that, while bearing ultimate responsibility for monitoring operations, it does not overstep into the jurisdiction of the management (constricting their freedom of operation).

The Board of Directors shall not perform the following acts unless expressly authorized to do so by the Articles of Association or by a resolution of an ordinary general meeting:

- Make donations, except business donations wherever they are small and customary amounts.
- Sell all or a substantial part of the Bank's assets.
- Pledge or mortgage the assets of the Bank, except to secure debts of the Bank incurred in the ordinary course of the Bank's business.
- Guarantee debts of third parties, except guarantees made in the ordinary course of business for the sake of achieving of the Bank's objectives.
- The Board of the Bank abides by and complies with all these legal and regulatory requirements. The Bank shall be bound by all acts performed by its Board of Directors, its Chairman, Chief Executive Officer and all other executives, (if any) as long as they act in the name of the Bank and within the scope of their powers.



Composition of the Board

The constitution of the Board, election process for Board members and shareholders' interests are areas of prime concern for the good governance commitment of the Bank. Details of the elected Board members are outlined below:

Name of Director	Capacity	Category
Mr. Said Mohamed Al-Aufi Chairman	Non-Executive	Independent
Mr. Tareq Mohamed Al Mugheiry Deputy Chairman	Non-Executive	Independent
Mr. Ghusen Al Abri	Non-Executive	Non- Independent
Mr. Said Ahmed Safrar	Non-Executive	Independent
Mr. Salim Mohamed Masaud Al Mashaikhi	Non-Executive	Independent
Mr. Ahmed Dawood Al Busaidi	Non-Executive	Independent
Sheikh Aimen Sultan Al Hosni	Non-Executive	Independent

Profile of directors

Mr. Said Mohamed Al-Aufi – Chairman

Mr. Al Aufi is the Chief Executive Officer of an investment fund company owned by the Government of the Sultanate of Oman that manages a multi-asset class portfolio in the Financial Services, Fintech, Technology and Commodities sectors. Earlier, Mr. Al Aufi worked in the Asset Allocation and Business Strategy team in the Oman Investment Authority (OIA).

Mr. Said Al Aufi has a Double Degree in Commercial Law & Banking and Finance from Monash University in Australia, he is a Chartered Financial Analyst "CFA" and Chartered Alternative Investment Analyst "CAIA". He has also completed several executive management programs in the areas of executive leadership, Blockchain, Cryptocurrency, Fintech, Artificial Intelligence, Internet of Things (IOT) and Venture Capital. Mr. Al-Aufi holds various board memberships in multiple sectors.

Mr. Tareq Mohamed Al Mugheiry – Deputy Chairman

Tareq Al Mugheiry is the Chief Investment Officer of Oman Investment Corporation SAOC (OIC). Prior to joining OIC, Tareq worked with a number of international companies including Philips Electronics in corporate strategy and mergers & acquisitions; J.P. Morgan in investment banking covering the European technology sector; and Oman LNG's project finance team. He holds a Bachelor of Law (LLB) and Bachelor of Commerce (B. Com) from the University of Western Australia.

Mr. Ghusen Al Abri

Mr. Ghusen Hilal Abdulla Al Abri is a seasoned leader with over 24 years of experience in strategic leadership, investment management, and public sector administration. Currently, he is the Director General of Expenditure at Royal Court Affairs (RCA), Oman, where he plays a key role in overseeing financial operations and leading the investment team responsible for managing a diversified multi-asset portfolio across global markets.

Mr. Ghusen with degree in Business Administration is part of management committee of Alfeyhaa Tourism and Mawarid Development & Investment, Oman. With a deep understanding of financial stewardship and governance, he has been instrumental in driving sustainable growth, operational excellence, and strategic expansion across multiple industries.



Mr. Said Ahmed Safrar – Director

Mr. Said bin Ahmed Safrar holds a Master of Business Administration (MBA) from the University of Hull in the United Kingdom. He also holds a diploma in Business Administration from the Royal College in Bournemouth, United Kingdom, and a specialised diploma from the Arab Academy for Banking and Financial Sciences in Jordan.

Mr. Safrar has over 24 years of experience across the banking and telecommunications sectors. He currently serves as the Chief Executive Officer of Dhofar International Development and Investment Holding Company SAOG, and is a board member of The Financial Corporation (FINCORP) and Dhofar Power Company.

In addition to his role as a member of the Board of Directors of Sohar International, Mr. Said Safrar serves as Chairman of the Credit Approval Committee and as a member of the Executive Committee and the Nomination and Remuneration Committee.

Mr. Salim Mohamed Masaud Al Mashaikhi – Director

Mr. Salim bin Mohammed Al Mashikhi holds a bachelor's degree in Mathematics and is a retiree of the Royal Court Affairs, with over 33 years of professional experience.

In addition to his role as a member of the Board of Directors of Sohar International, Mr. Salim Al Mashikhi also serves as Chairman of the Internal Audit Committee and as a member of the Risk Management and Compliance Committee.

Mr. Ahmed Dawood Al Busaidi – Director

Mr. Ahmed brings over 30 years of extensive professional experience across both the public and private sectors. Throughout his career, he has held various positions spanning financial auditing, financial management, economic analysis, diplomacy and administrative affairs. He retired in 2019.

Owing to the nature of his previous roles, Mr. Ahmed has developed strong communication skills and maintains a broad network of relationships both within and outside the Sultanate of Oman.

In addition to his role as a member of the Board of Directors of Sohar International, Mr. Ahmed serves as Chairman of the Board Risk Management and Compliance Committee.

Sheikh / Aimen Ahmed Al Hosni – Director

Sheikh Aimen Ahmed Al Hosni holds extensive leadership experience spanning over two decades across the aviation, insurance, investment, and financial services sectors. He has served in chairmanship and board membership roles at both local and international levels, demonstrating a strategic vision focused on operational efficiency, infrastructure development, and service excellence.

Furthermore, Sheikh Aimen led Oman Airports, steering the organization toward global recognition through award-winning service quality and continuous development. His expertise in strategic planning and execution, combined with his commitment to adopting the latest technologies and best practices, ensures exceptional travel experience for passengers while contributing to the economic growth of the Sultanate.

Beyond his corporate leadership, Sheikh Aimen distinguished himself through his academic involvement as a lecturer in human resources, contributing to knowledge transfer and skills development. He also played a prominent role in the sports sector as the President of Al-Khaboura Sports Club, where he made significant contributions to the advancement of sports. His commitment to both professional and public service enhances his standing as a prominent figure in the Omani aviation sector and the broader economic landscape.



Board committees

The Board has created various subcommittees for specific purposes with clearly defined terms of reference and responsibilities. The committees' mandate is to ensure focused and specialized attention to specific issues related to the Bank's governance. The various sub-committees of the Board together with the Internal Audit and Compliance department form an important tool in the process of corporate governance. These sub-committees and are as follows:

Audit Committee (AC)

The main functions of AC are to assess and review the financial reporting system of the Bank to ensure that the financial statements are correct, sufficient and credible. The Committee reviews with management the quarterly and annual financial statements before their submission to the Board for adoption. The Committee also holds discussions with the internal auditors / statutory auditors on significant findings on the control environment. The role of Chief Internal Auditor is to provide assurance that the management control framework used within the Bank is operating effectively.

Executive, Nomination & Remuneration Committee (ENRC)

The ENRC is a sub-committee of the Board and, as such, assists the Directors in discharging their responsibilities in relation to: (1) General performance aspects of the Bank such as strategy setting and implementation, annual budget recommendations, information technology, management of environment, social and governance (ESG) activities, and generally to assist the Board in reviewing business proposals, other than credit, and other related issues that require a detailed study and analysis; and (2) HR, Nomination and Remuneration issues such as to provide direction and guidance to have the right chief executive officer and Senior Management team and provide support and direction to the Bank and its stakeholders and ensure their interests are protected, etc.

Credit Approval Committee (CAC)

The CAC is a sub-committee of the Board and as such approves loans above the lending mandate of Executive Credit Committee (ECC) of the management, and reviews on annual basis credit product policies, credit policy, credit portfolio, and existing credit facilities – all within its authority as per its terms of reference.

Board Risk & Compliance Committee (BRCC)

The BRCC assists the Board discharge its responsibilities of oversight and governance in relation to the risk performance of the Bank. The Committee is responsible, among other things, for making recommendations to the Board on the risk appetite of the Bank in relation to credit, interest rate, market, liquidity and operational risk.

The Committee ensures the implementation of risk strategy and policy in addition to ensuring that a robust risk framework is in place within the Bank which optimizes the quality and return on deployment of assets. The Committee also provides guidance and direction on all credit, market, interest rate, liquidity and operational risk policy matters. The Committee also reviews the adequacy of regulatory compliance, regulatory reporting, internal control systems and structure of Compliance Department.

SHARI'A SUPERVISORY BOARD

A Shari'a governance framework has been implemented in the Window whose main objective of is to ensure Shari'a compliance at all the times. The key elements of Shari'a governance framework of the Window are as follows:

- i. Shari'a Supervisory Board (SSB)
- ii. Internal Reviewer who has the overall responsibility to undertake and monitor Shari'a Compliance, Shari'a Audit and training functions in accordance with IBRF.



Compliance with Shari'a (as manifested by the guidelines and Fatawa issued by the SSB) and as stipulated in IBRF is mandatory and is being done through review and approval of the contracts, agreements, policies, procedures, products, reports (profit distribution calculations), etc.

The Window ensures that the operations of the Islamic Banking Window are conducted in Shari'a compliance and controlled manner by following policies and procedures:

- a) An appropriate Shari'a governance framework in compliance with IBRF, AAOIFI governance standards and guidelines and directives issued by SSB is maintained;
- b) Key duties and functions are segregated. An independent executive is designated with the responsibility for Shari'a compliance and audit;
- c) Policies and procedures manuals and documentation in relation to our products, operations, compliance, trainings, and internal controls are maintained and available to relevant staff;
- d) Shari'a audit reports are submitted to the SSB in line with the agreed annual plan.
- e) Islamic Banking Window assets are kept separate and distinct from conventional assets;
- f) Window cannot place funds with the conventional banks including Sohar International.
- g) The Window management ensures that staff for certain key functions reporting to their respective department heads with dotted line reporting to the Head of The Window
- h) The Window has dedicated staff for business functions, such as retails, corporate, treasury, etc. and the staff reports to the Chief Islamic Banking Officer
- i) The core banking system adopted by The Window can recognize the unique nature of Islamic Banking contracts, transactions and processes.

Shari'a audits are conducted on a quarterly basis in accordance with IBRF and submitted to SSB for its review and guidance. SSB has issued its annual report for 2024 on Shari'a compliance of the window and did not report any violations and did not direct any amount to Charity Account.

Internal Shari'a Reviewer oversees the Shari'a training plans and schedule for the Licensee. During the year 2024 training programs were conducted for the staff & Public such as collages & companies.

Related parties' transactions with SSB are disclosed in notes of financial statements.

Profile of the Shari'a Supervisory Board

Sheikh Al-Mu'tasim Said Al Maawali (Chairman)

Al-Mu'tasim Said Al-Maawali is a religious supervisor working for The Omani Studies Centre at Sultan Qaboos University. He holds an MA degree in Islamic Studies from the University of Birmingham, 2016. Al-Mu'tasim authored a seven-volume series in Islamic Jurisprudence called al-Mu'tamad, including the sixth volume in Islamic Financial Transactions, and the seventh in Islamic Banking. In 2016, he published his English book Articles on Ibādī Studies. In February 2017, he published his translation (from Arabic to English) the first volume of 'The Reliable Jurisprudence of Prayer'. In 2019, he also translated 'Christians in Oman' from English into Arabic. Al-Mu'tasim has presented academic papers at international conferences in Islamic Studies, including TIMES 2017 at Birmingham University, and BRISMES 2018 at King's College London, and BRISMES 2019 at the University of Leeds.

Sheikh Nasser Yousuf Al Azri (Deputy Chairman)

Sheikh Nasser is working as secretary to the Grand Mufti of the Sultanate of Oman in the Fatwa Section at the Grand Mufti's Office. He is also an active member of several committees at the Ministry responsible for Mosques, Zakat, Hajj, Publications and Book Revision. Prior to his current capacity, Sheikh Al Azri held a number of prestigious positions including Judge Assistant at the Ministry of Justice, and a researcher for Islamic affairs in fatwa's at the Ministry of Endowments and Religious Affairs.



Sheikh Al Azri has extensive knowledge and expertise in Islamic and judiciary laws. He has also authored several papers and research studies and attended prominent Islamic conferences such as those held by the International Islamic Fiqh Academy. He received a High Diploma Degree in Jurisprudence from the Institute of Shari'a Sciences in Oman.

Dr. Mohammad Abdul Rahim Sultan Al Olama (Member)

Dr. Mohammad Abdul Rahim Sultan Al Olama was a Professor of Jurisprudence and its Fundamentals at the College of Law at United Arab Emirates University in Al Ain. In addition, he is a certified expert in Shari'a-compliant financial affairs and chairs the Shari'a committee of Zakat Fund in the United Arab Emirates. He has published books and articles on various jurisprudential topics, in particular Islamic banking transactions in their contemporary form. He has also presented a series of research papers in various international forums and conferences related to this field.

His Eminence is a member of Shari'a Supervisory Boards of Islamic financial institutions and Takaful companies including Dubai Islamic Bank, Abu Dhabi Islamic Bank Emirates Islamic Bank, Noor Takaful & Mawarid Finance Company.

He holds a PhD in Comparative Islamic Jurisprudence from Umm Al-Qura University in Makkah the Kingdom of Saudi Arabia.

MANAGEMENT TEAM

The management of the Bank has been entrusted by the Board to the Bank's top management team under the leadership of the CEO. The CEO keeps the Board of Directors informed on all issues concerning the operations of the Bank and takes directions from the Board on matters that concern and affect the business of the Bank and the objectives it should pursue.

Profile of Senior Management Team

Mr. Abdulwahid Mohamed Al Murshidi - Chief Executive Officer

Abdulwahid Mohamed Al Murshidi has been a driving force at Sohar International since July 2019, steering the bank through a period of accelerated growth, transformation, and strategic repositioning. Under his leadership, Sohar International has emerged as one of Oman's fastest-growing financial institutions and a trusted national strategic partner, playing a pivotal role in advancing the ambitions of Oman Vision 2040. His leadership is defined by a clear long-term vision focused on sustainable value creation, innovation-led growth, and institutional excellence.

Al Murshidi is deeply committed to strengthening the bank's resilience and future readiness, championing digital transformation, responsible banking practices, and a performance-driven culture that consistently delivers value to customers, shareholders, and the wider economy. His strategic approach balances growth with governance, innovation with discipline, and ambition with sustainability.

With more than 22 years of experience across core banking disciplines—including Audit, Finance, Investment, and Islamic Banking—he brings a holistic and forward-looking perspective to leadership. Prior to joining Sohar International, he held senior executive roles within the banking sector, where he played a central role in reinforcing governance frameworks, building institutional capabilities, advancing customer-centric operating models, and embedding a culture of innovation, accountability, and high performance.

He holds an Executive MBA from London Business School and a Bachelor of Science degree from Sultan Qaboos University (SQU), reflecting a strong academic foundation that underpins his strategic thinking and leadership philosophy. Al Murshidi's career is marked by a continuous commitment to professional development, global best practices, and leading with purpose to shape a resilient and competitive financial institution that is future ready.



Mr. Khalid Al Guthami - Country Chief Executive Officer of KSA branch

Mr. Khalid Al Guthami joined Sohar International in September 2023 as Country Chief Executive Officer of KSA Branch with over 25 years of experience, Mr. Khalid is an experienced banker with vast knowledge and expertise in corporate and commercial banking, trade operations, investment, and risk management. Prior to joining Sohar International, Mr. Khalid Al Ghuthami was the Head of Corporate Bank Group at one of the prominent banks in Riyadh, Saudi Arabia, where he made significant contributions to the development of business and banking transactions.

Mr. Khalid Al Guthami holds a Bachelor Degree in Economics with emphasis on International Business from the University of Southern Mississippi. Mr Khalid has completed an Accelerated Management & Executive Leadership Program at Institut Européen d' Administration des Affaires (INSEAD). Additionally, he holds notable financial certifications from SAMBA, Euromoney, and Citibank.

Mr. Majid Nasser Al Busaidi - Chief Risk Officer

Mr. Al Busaidi joined Sohar International in November 2020 as Chief Risk Officer. He has over 17 years of professional experience across different functions of the banking sector. His experiences and responsibilities include developing risk management strategies; overseeing and assessing the Bank's risk mitigations both internally and externally; and reporting to the Board of Directors. Prior to his role in Sohar International, he was heading the division of credit review in a popular Omani bank.

Mr. Al Busaidi holds a Bachelor's Degree in Finance from College of Economy and Political Studies at Sultan Qaboos University (SQU).

Mr. Hamood Al Sawai - Chief Operating Officer

Mr. Al Sawai joined Sohar International in December 2021 as Chief Operations Officer. With over 22 years of experience, Mr. Hamood is an experienced banker with vast knowledge and expertise in field of Operations.

Prior to joining Sohar International, Mr. Hamood was the Deputy General Manager at a prominent local bank. Since joining Sohar International, he has made notable contributions in conceptualizing and implementing robust strategies to enhance operational efficiencies. He is a knowledgeable leader with rich experience who combines the values of the business and technical expertise, with his personal integrity and commitment.

Mr. Al Sawai holds an MBA degree from Bedfordshire University and has completed his Bachelor's Degree in Finance and Investment from Cairo University.

Mr. Craig Barrington Bell - Chief Financial Officer

Mr. Craig Barrington Bell joined Sohar International as Chief Financial Officer in January 2019 bringing with him over 25 years of banking experience; 15 of which have been in CFO roles with HSBC and Deutsche Bank, including three years as CFO of the Saudi British Bank. Mr. Bell has extensive background in finance and deep experience of managing complex international businesses across dynamic and changing markets. Commencing his banking career with Citibank in 1985, Mr. Bell has a plethora of technical and management skills in financial and regulatory reporting, management reporting, financial analytics, system infrastructure and controls, balance sheet management, strategic planning, investor relations and tax. Prior to joining Sohar International, Mr. Bell served for over two years as CFO with Al Hilal Bank (Abu Dhabi). He is a distinguished member of the Institute of Chartered Accountants of Australia & New Zealand and graduated from Auckland University with a Bachelor of Commerce degree majoring in accounting.

Mr. Khalil Salim Al Hedaifi - Chief Government & Private Banking Officer

Mr. Khalil joined Sohar International in October 2018 as the Chief Retail Banking Officer. One of his key responsibilities is to develop the Bank's business franchise. With over 19 years of experience, Mr. Khalil is a dynamic leader with pioneering experience in achieving business growth objectives in mid-sized as well as large, established organizations. His vast experience includes expertise in operations management; banking including retail banking and wealth management; strategic planning; etc..." He started his career in 2000



with a local bank in the Sultanate of Oman and has worked with other national and international banks in the Sultanate of Oman and Qatar throughout his professional life before joining Sohar International as the Retail Banking Division Head. Mr. Khalil holds an MBA Degree from Northampton University and has also received an Administration Certificate from Oxford Cambridge and RSA.

Mr. Fahad Akbar Al Zadjali - Head of Sohar Islamic

Mr. Fahad Akbar Al Zadjali joined Sohar International in 2007 and is currently serving as the Head of Sohar Islamic. With a career spanning over 25 years in the banking sector, he has accumulated extensive expertise in both conventional and Islamic banking, specializing in business and product development as well as credit administration. Prior to his current role, Mr. Al Zadjali led Sohar Islamic's Retail Division, where he played a pivotal role in driving growth and operational excellence. His leadership has played a role in guiding Sohar Islamic's progress, contributing to its growth and development over the past decade.

Mr. Fahad Al Zadjali's leadership is characterized by a strategic planning, exceptional ability to foster cross-departmental collaboration, and a steadfast commitment to organizational success. He is recognized for his ability to build strong relationships and his proven track record of delivering results in challenging and competitive environments. Academically, Mr. Al Zadjali holds an MBA from Buckinghamshire University, UK, and has completed advanced qualifications in strategic management and leadership from ILM and OTHM, UK.

Ms. Aisha Al Saifi - Chief Transformation Officer

Eng. Aisha brings with her extensive international experience in Business Development, Project Management, and the development of integrated value propositions, alongside hands-on expertise in the strategic management of multi-disciplinary organizations. Throughout her career, she has held senior leadership roles at Royal HaskoningDHV, ASYAD Group, and the Nazdaher Program. Her global exposure includes leading major infrastructure and economic strategy projects and restructuring operating models to drive organizational transformation.

She is an engineer by background, a Chevening Scholar, and a graduate of the National CEO Programme from the Royal Academy of Management. She also holds a Master's degree in International Development.

Mr. Abdul Qadir Al Sumali - Chief Retail & Premier Banking Officer

Mr. Abdul Qadir Al Sumali joined Sohar International in August 2023 as Chief Retail & Premier Banking Officer. With over 25 years of experience, Mr. Abdul Qadir is an experienced banker with vast knowledge and expertise in field of Retail Banking. Prior to Joining Sohar International, Mr. Abdul Qadir was General Manager and the Head of Wealth and Personal Banking at one of the prominent local banks and has made notable contributions in the retail banking business. He is a knowledgeable leader with rich experience who combines his passion for customers and investing in people with personal integrity and discipline. Mr. Abdul Qadir holds an MBA from Durham University Business School, United Kingdom.

Mr. Khalid Khalfan Rashid Al Subhi - Chief Compliance Officer

Mr. Al Subhi joined Sohar International in December 2016. He has over 19 years of extensive experience as a Central Banker in various domains like banking, insurance and administration. His experience and responsibilities included conducting risk-based examinations/audits, corporate governance, capital adequacy, various business processes, control framework, and much more. Mr. Khalid holds a Bachelor's Degree in Banking and Financial Sciences (CBFS) from the Arab Academy for Banking and Financial Sciences and has completed his Higher Diploma in Administrative Procedures from the South Devon College, UK.

Mr. Elsamawal Abdulhadi Idris - Chief Legal & Governance Officer

Elsamawal joined Sohar International in July 2013 and holds the position of Chief Legal Officer and secretary of the Board in the Bank. With over 20 years of experience in the legal profession during which he has helped organizations and clients carry on business in a legal and compliant manner and was able to prove



himself consistently in major transactions and disputes. He is signaled out by legal directories regularly as an individual with exceptional understanding of the Sultanate of Oman's banking system and commended for his wide-reaching initiatives to improve efficiency and performance in his function.

Mr. Elsamawal holds a Master's Degree LLM and Bachelor's Degree LLB from the University of Khartoum, Sudan.

Mr. Hamood Khalfan Al-Aisri - Chief Internal Auditor

Mr. Al-Aisri is a qualified Chartered Certified Accountant with over 25 years of professional experience across different functions within the Banking sector. He has been associated with Sohar International since December 2020. Prior to joining Sohar International, he held the role of Chief Internal Auditor for one of the local banks. Mr. Al-Aisri holds Senior Leadership qualification from London Business School, and Islamic Financial qualification from Chartered Institute of Investment and Security - UK.

Mr. Aziz Al Jahdhami - Chief Priority Banking Officer

Mr. Aziz Al Jahdhami has joined Sohar International in December 2018 and currently serving as the Chief International Banking Relations Officer at Sohar International. Mr. Al Jahdhami is a highly experienced banking professional. With a career spanning over 15 years in the banking industry, Mr. Al Jahdhami has developed a strong expertise in various aspects of Wealth Management, Private Banking, and Investment Management. His proven track record & achievements in these areas have been instrumental in the growth of several local and international banks.

Al Jahdhami holds two Executive Management certifications from prestigious institutions such as the University of Cambridge and the London Business School. These qualifications have further enhanced his skills and knowledge in managing financial institutions effectively. Additionally, he has also achieved both undergraduate and postgraduate degrees from the University of London in the United Kingdom.

Ms. Mahira Saleh Al-Raisi - Chief Human Resources Officer

Ms. Mahira joined Sohar International in October 2007, and currently holds the Chief Human Resources Officer role. With over 21 years of extensive experience in managing Human Resources in the Banking sector, she has supported the achievement of the Bank's strategy successfully through the deployment of effective Human Capital Management Policies and Practices in line with the Bank's strategic objectives. Responsible for developing and executing Human Resource Strategy in support of the overall business plans, specifically in the areas of talent acquisition, talent Management, succession planning, change management, organizational and performance management, capability development and total rewards. Ms. Mahira holds a Bachelor's Degree and Diploma in Human Resources Management and Development from University of Leicester-UK. She also holds a Post Graduate Diploma in Management from Institute of Leadership and Management and Leading Strategy Execution Certificate in Financial Services from Harvard Business. Ms. Mahira Al Raisi is the Deputy Chairman of Human Resources Committee of Oman Banker's Association. She is also a member of College Advisory Committee in College of Banking and Financial Studies in the Sultanate of Oman.

Dr. Mazin Mahmood Al Raisi - Chief Marketing Officer

Dr. Mazin Mahmood Al Raisi is the Chief Marketing Officer at Sohar International, a role he assumed in 2022. With over 25 years of experience, Dr. Mazin has been a driving force in shaping the bank's marketing journey since joining in 2007, where he was among the key individuals who established the Marketing Department.

He played a pivotal role in the successful launch of Bank Sohar and Sohar Islamic, and later in the major rebranding project that transformed Bank Sohar into Sohar International – conceptualising innovative strategies to strengthen its brand presence across diverse markets.

Recognised for his passion, professionalism, and leadership, Dr. Mazin's contributions have been instrumental in positioning Sohar International as one of Oman's most progressive financial brands. He



also leads the bank's corporate social responsibility initiatives, fostering partnerships that create lasting impact within the community.

Dr. Mazin holds a Doctorate in Business Administration (DBA) from Coventry University in the United Kingdom. He also holds an MBA from the University of Strathclyde, UK, and a Bachelor's degree in Marketing from the University of Missouri, St. Louis, USA. In addition, he is a certified brand manager and has completed an executive marketing program at the London Business School.

Mr. Sajeel Bashiruddin - Chief Digital Officer

Mr. Sajeel Bashiruddin joined Sohar International in 2021 and currently holds the Chief Technology Officer role, wherein he is responsible for Information Technology, Enterprise Project Management Office, FinTech & spearheading Digital Banking functions of the Bank to drive Digital Transformation. With over 20 years of experience, Mr. Sajeel reserves an entrepreneurial spirit and has led large-scale digital transformation in the sector. While strategy development, leadership, and innovation are key areas he places increased emphasis on, Mr. Sajeel has also introduced new digital revenue streams via Fintech partnerships, led cohesive digital ecosystem transformations, spearheaded business expansions and led transitions to be a data-driven organization. He started his career in 2003 and has held key positions in banks in the Kingdom of Saudi Arabia and the Sultanate of Oman.

Mr. Sajeel holds a Master's Degree in Computer Applications, Bachelor's Degree in Business Management, and is a Certified Artificial Intelligence Business Professional.

Mr. Abbas Hassan Al Lawati - Senior Executive Vice President & Head - Investment Banking, FIG and International Operations

Mr. Abbas Al Lawati is a highly experienced investment banking professional with over 20 years of expertise in capital markets, financial advisory, and strategic transactions. Serving the bank for more than five years, he currently holds the position of Senior Executive Vice President & Head - Investment Banking, FIG and International Operations, where he plays a key role in driving complex, high-impact financial initiatives across the region. Throughout his career, He has led and advised on some of Oman's most significant financial transactions, including the country's largest IPO, major private equity deals, sovereign sukuk issuances, and fintech acquisitions. His areas of expertise span mergers and acquisitions, capital markets, financial restructuring, and strategic advisory. Mr. Abbas holds an MBA in Strategy and Entrepreneurship from IE Business School in Madrid. He earned his bachelor's degree in accounting and finance from the American University of Sharjah.

Mr. Hisham Hassan Moosa - Senior Executive Vice President & Head - Project Financing and Global Banking

Mr. Hisham joined Sohar International in May 2023 and currently serves as the Sr. EVP & Head - Project Financing and Global Banking. With nearly two decades of experience, he has developed deep expertise in wholesale banking, risk management, and financial institutional relationships. Prior to joining Sohar International, he held several senior leadership roles in the financial sector, where he managed multi-billion-dollar corporate portfolios, arranged major syndication deals, and played a pivotal role in credit and relationship management.

Mr. Hisham holds a Bachelor of Science in Accounting from Sultan Qaboos University and a Postgraduate Certificate in Finance and Management from the University of Bradford. He is also a Certified Credit Analyst by Moody's Analytics and a registered faculty member at the College of Banking and Financial Studies (CBFS).

Mr. Ali Taqi Jaafar Hassan - Senior Executive Vice President & Head - Commercial Banking

Mr. Ali joined Sohar International in August 2023 and is currently serving as the Sr. EVP & Head of Commercial Banking. He is a seasoned banking professional with over a decade of leadership experience in corporate and commercial banking across Oman's financial sector. Prior to joining Sohar International, he held key leadership roles in the banking industry, where he played a central role in corporate banking,

trade finance, and major integration processes. He holds an MBA and a B.Sc. (Hons) degree in Accounting and Finance from the University of Bradford, UK and is recognized for his expertise in strategic planning, credit risk, and governance.

Majid Nasser Al Busaidi – Chief Risk Officer

Majid Nasser Al Busaidi joined Sohar International in November 2020 as Chief Risk Officer. He has over 17 years of professional experience across different functions of the Banking sector. His experiences and responsibilities include, developing risk management strategies, overseeing and assessing the bank’s risk mitigations both internally and externally, and reporting to the Board of Directors. Prior to his role in Sohar International, he was Heading the Division of Credit Review in a popular Omani bank. Majid Al Busaidi holds a Bachelor Degree in Finance from College of Economy and Political Studies at Sultan Qaboos University (SQU).

Saeed Ali Hamdan Al Hinai – Group Treasurer

Saeed Ali Hamdan Al Hinai is a seasoned banking professional with over 30 years of experience in corporate banking, investments, and treasury management. As Sr. EVP & Head of Global Markets at Sohar International, he leads treasury operations, liquidity management, and financial risk strategies. Over the course of his career, he has held various leadership roles across the banking sector. He also chairs the Treasurer Committee at the Oman Bankers Association (OBA) and serves as Vice President of the ACIFMA Oman Chapter, actively contributing to the advancement of treasury practices in the region. Saeed Ali Hamdan Al Hinai holds an MBA in Finance and Sustainability from the University of Cumbria, UK and is a PhD candidate in Business Administration at the University of Northampton.

CHAPTER 12: DIVIDEND POLICY

The Bank’s dividends policy complies with the CBO & FSA guidelines. The Board of Directors recommends on the distribution of the dividends to the shareholders after due consideration of the regulatory guidelines, the future growth expectations and other factors. The historical dividend details of the Bank are given below:

For Year	Cash dividend (Baisa per share)	Bonus Shares for every 100 shares held	Mandatory Convertible Bonds (Baisa per share)
2019	3	3	-
2020	-	-	-
2021	4	-	-
2022	4.5	-	-
2023	5.5	1.95	-
2024	8	-	-
2025*	4	-	4

**Proposals are subject to regulatory and shareholders’ approvals.*

CHAPTER 13: RIGHTS AND LIABILITIES OF BONDHOLDERS' AGENT AND BONDHOLDERS

The Bondholder's Agent

MCD shall act as the Bondholders' Agent with respect to the Bonds pursuant to the Agency Agreement. The Bondholders' Agent shall be the representative of the Bondholders for the purposes of the CCL.

The Bondholders' Agent shall also act upon any reasonable request of Bondholders, the Auditors of the Issuer, the MOCIP, MSX, FSA, or the Issuer itself, who may alert the Bondholders' Agent to a situation which may constitute an event or breach which has, or potentially may have a material effect on the rights of the Bondholders.

Responsibilities and Duties of the Bondholder's Agent under the Bond and Sukuk Regulations

The duties of the Bondholders' Agent pursuant to Article 77 of the Bond and Sukuk Regulations include, amongst others:

- (a) Calling for periodical reports from the Issuer and inspecting its books of accounts, records, registers, assets, and the documents and reports relating to the credit rating of the Issuer;
- (b) Ensuring that the relevant Interest Payment Amount has been paid to the Bondholders on the relevant Interest Payment Dates, in accordance with the Conditions;
- (c) Monitoring the Issuer's adherence to the Conditions and assessing whether or not the Issuer is able to discharge the claims of Bondholders as and when they become due;
- (d) Calling or causing to be called, the general meeting of Bondholders on any event which may affect the interest of the Bondholders or on a requisition by one or more Bondholders who own at least 10% of the total issued Bonds pursuant to Articles 156 and 158 of the CCL; and
- (e) Conducting such other acts as necessary for the protection of the interests of the Bondholders.

The Securities Law envisages that new executive regulations shall be issued thereunder, and the duties of the Bondholders' Agent under the Bond and Sukuk Regulations may from time to time be amended, supplemented or replaced in accordance with the Securities Law and any executive regulations issued from time to time thereunder.

The Bondholders' Agent may seek the assistance of experts and professionals to perform its duties, without prejudice to their responsibility.

Responsibilities and Duties of the Bondholders' Agent under the Declaration of Agency

The duties of the Bondholders' Agent under the Declaration of Agency include but are not limited to the following:

- (a) Acting as agent for and on behalf of the Bondholders for the purposes of Article 77 of the Bond and Sukuk Regulations;
- (b) Monitoring material contracts, events, actions and announcements (including publication of annual financial statements) entered into or announced by the Issuer from time to time, to the extent so required under the Declaration of Agency;

- (c) Following its receipt of an Accelerated Mandatory Conversion Notice from the Issuer in accordance with Condition 4.1 (*Mandatory Conversion*), it shall (subject to Condition 4.2 (*Accelerated Mandatory Conversion*)), promptly notify the Bondholders of the occurrence of such Accelerated Mandatory Conversion Event);
- (d) that the Issuer complies with the Conditions and the terms of the Declaration of Agency; and
- (e) Monitoring and approving notices from the Issuer to the Bondholders.

Rights and Powers of the Bondholders' Agent

The Bondholders' Agent shall have the following specific powers, in addition to any other powers that may be conferred upon it by the Laws of Oman:

- (a) the Bondholders' Agent shall forthwith upon any breach, regulatory failure, negligent act, or similar act or omission on the part of the Issuer, bring such matter to the attention of the Issuer, by way of written letter addressed to the Chief Executive Officer of the Issuer. The Bondholders' Agent and the Issuer shall use their best endeavor to restore any procedural issue, breach, and/or reach a fair and reasonable settlement of such matter. Where appropriate and agreed with the Issuer, the Bondholders' Agent may decide and rule upon matters on behalf of the Bondholder without calling a meeting of Bondholders;
- (b) if the Issuer fails to remedy any breach or action a reasonable time period of having been given due notice by the Bondholders' Agent to do so, or if the Issuer unilaterally commits an act which may have a material effect on the Bondholders, the Bondholders' Agent may take such actions as it seems appropriate. Where possible and practical, depending on circumstances, Bondholders' Agent shall act upon a decision of a meeting of Bondholders, by decision on a vote by the applicable majority in accordance with the CCL. The Bondholders' Agent shall also act upon an order or the guidance of duly empowered regulatory authorities in Oman;
- (c) where the Issue to be decided upon is of a legal nature or based upon a dispute of facts, the Bondholders' Agent shall have the right to approach an attorney, or a court of law. The Bondholders' Agent may in all matters, unless it is proven that it acted negligently, recklessly, or not in the collective interest of the Bondholder, to be reimbursed by the issuer within reasonable limits, for defending any legal actions arising from, or conducting any case relating to its office as Bondholders' Agent, or matter of dispute as described above;
- (d) upon the meeting of the Bondholders taking place, it shall be convened and held in accordance with the procedure for meetings as contained in the Conditions of the Issue;
- (e) the Bondholders' Agent shall be provided by the Issuer with the following documentation:
 - (i) quarterly and yearly financial results of the Issuer; and
 - (ii) a copy of all notices of general meetings of Shareholders of the Issuer;
- (f) the Bondholders' Agent may attend general meetings of the Issuer, and where applicable may address such meeting as and when deemed appropriate by the chairman of such meeting; and
- (g) the Bondholders' Agent may request certain information from the Issuer in order of it to perform its function appropriately and diligently. All reasonable requests of the Bondholders' Agent shall be duly considered by the Issuer, who shall manage all ongoing communication with the Bondholders' Agent through the office of its internal legal department. The Issuer shall not be obliged to provide information beyond what may be reasonable deemed to be appropriate.

The description above is not exhaustive and it is qualified by the more detailed terms set out in the Declaration of Agency. The powers granted to the Bondholders' Agent pursuant to the Declaration of Agency are additional to any other powers conferred on the Bondholders' Agent by laws of Oman.

For the purposes of the Issue, the Bondholders' Agent shall not, at any time, be responsible or accountable for or have any duty, responsibility, or accountability to any Bondholder with respect to:

- (a) the Conversion or the Conversion Ratio;
- (b) any calculation relating to the Conversion or the Conversion Ratio, including all figures and values used in such calculations;
- (c) any adjustment to the Conversion Ratio;
- (d) the conversion method elected by the Issuer;
- (e) any failure by the Issuer to issue, transfer or deliver any Ordinary Shares pursuant to or the subject of the Conversion; or
- (f) the Issuer's compliance with any of the covenants contained in Condition 4.1 (*Mandatory Conversion*).

For the avoidance of doubt, the Issuer shall be solely responsible for the Conversion, and shall be solely accountable to the Bondholders with respect to the matters (a) to (f) set out above.

Bondholders' Rights

The Bondholders shall enjoy equal rights inherent in the ownership of Bonds as follows:

- (a) the right to receive Interest Payment Amount subject to and in accordance with the Conditions;
- (b) the right to dispose or transfer the Bonds in accordance with the Conditions;
- (c) upon the liquidation of the Issuer, the right to claim any amounts outstanding under the Bonds in priority only to the Junior Obligations;
- (d) the right to participate in Bondholders' Meetings and to vote at such meetings in accordance with the provisions of the Declaration of Agency and the CCL; and
- (e) the right to inspect the Register in accordance with Article 157 of the CCL.

The Bondholders shall participate only in meetings related to the Issue and shall have no rights to participate in any other meetings of the Issuer.

CHAPTER 14: ALLOTMENT CONDITIONS AND PROCEDURES

Eligibility for the Bond and Allotment

The Shareholders holding Shares as on the Allotment Record Date, i.e. on 31 March 2026, will be eligible for the Bonds and will be credited with the Bonds directly in their account. The allotment of the Bonds will be done by MCD using their systems and procedures, based on the Allotment Ratio.

The Bonds are paid in full out of the accumulated and retained earnings of the Bank and the Shareholders are not required to incur any expenses related to the Issue.

Allotment of Bonds

Shareholders holding Ordinary Shares on the Allotment Record Date shall be eligible for allotment of the Bonds. Each Shareholder shall receive a direct credit of such Shareholder's Bond entitlement in their respective MCD Investor Account. There is no requirement for a Shareholder to submit an application form or undertake any other actions relating to the allotment of Bonds. The Allotment of the Bonds shall be handled by the MCD using its systems and procedures.

Listing and Trading of the Bonds

The Bonds shall be listed on the Bond and Sukuk Market of the MSX in accordance with the laws and procedures that are in force on the date of the listing application. The listing date forecast above is an estimated date and if any rescheduling is required, it shall be published on the MSX website.

Issuer's right

The Issuer reserves the right to withdraw / cancel the Issue prior to the listing date of Bonds for any reasons including in the event of any unforeseen development adversely affecting the economic and regulatory environment, any force majeure condition including any change in applicable law, etc. If the Issue is withdrawn / cancelled, the received amounts will be refunded in full, without any interest.

Correspondence

All correspondence shall be sent to the Shareholders at the Shareholder's address and/or contact details recorded with the MCD. All Shareholders are advised to verify the correctness of such addresses and/or contact details.

Proposed Timetable

The following is only an indicative proposed timetable for the Issue:

Activity	Date*
Approval of Prospectus by FSA	11 May 2026
Listing of Bonds on MSX	21 May 2026

*Actual dates may vary.

Responsibilities & Obligations

The Issuer, Issue Manager, Legal Advisor and the MCD shall abide by the responsibilities and duties specified under the Regulations issued by the FSA and shall comply with any other responsibilities and obligations set out in the agreements entered between them. The parties concerned shall be required to take remedial measures regarding the damages arising from any negligence committed in the performance of the functions and responsibilities assigned to them. In such event the Issue Manager shall liaise with relevant authorities such as FSA and MSX for taking suitable steps and measures for repairing such damages.

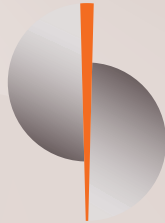
Enquiries and Complaints

Shareholders seeking clarification or filing complaints about allotment may contact the MCD on the following contact details:

Tel: +968 2482 2222 and +968 2482 2260;

Fax: +968 2481 7491

<https://mcd.om>



P.O. Box 44, Postal Code 114, Hai Al Mina,
Sultanate of Oman Tel: + 968 24730000



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