شركة بركاء للمياه والطاقة ش.م.ع.ع
BARKA WATER AND POWER COMPANY S.A.O.G

Barka Water & Power Company SAOG

Policies & Procedures

Dividend Distribution Policy

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1. Document Control Information

1.1 Document History

This Policy is reviewed and approved by the Board of Directors on 10 February 2026.

1.2 Maintenance

This Policy shall be periodically reviewed and updated to ensure that it is relevant and aligned to applicable laws, rules and regulations and leading industry practices. This Policy shall be reviewed annually or more frequently, if deemed necessary.

2. Dividend Distribution Policy

2.1 Introduction

As part of the Muscat Stock Exchange ("**MSX**") Capital Market Development Initiative, MSX has emphasised the importance of enhanced transparency and disclosure by issuers to enable investors to make informed decisions. In this regard, Financial Services Authority ("**FSA**") Circular No. (3/2025) ("**Circular 3/2025**") requires all public listed companies in Oman to prepare and adopt a Dividend Distribution Policy in line with international best practices.

Accordingly, Barka Water & Power Company SAOG, a listed public joint stock company (the "**Company**"), has adopted this Dividend Distribution Policy (the "**Policy**") to ensure compliance with the applicable MSX requirements and to provide a clear framework governing the Company's approach to dividend distributions.

2.2 Dividend Distribution Policy Statement

The Company is committed to delivering sustainable and long-term value to its shareholders while maintaining a strong financial position and ensuring business continuity.

This Policy establishes a transparent framework governing the declaration, recommendation, and payment of dividends, in compliance with the requirements of the FSA Circular No. 3/2025 and applicable laws and regulations of Oman.

2.3 Objective & purpose of the Policy

The objective of this Policy is to:

a) providing transparency and clarity to shareholders regarding the Company's dividend philosophy;

b) balancing shareholder returns with the Company's funding requirements, debt obligations, and growth strategy;

c) ensuring compliance with the Omani Commercial Companies Law and MSX regulations; and

d) aligning with the FSA's regulatory requirements including the timely distribution of dividends to enhance market efficiency and investor confidence.

2.4 Dividend Philosophy

Subject to the availability of distributable profits and sufficient cash flows, the Board of Directors ("**Board**") of the Company may, at its discretion, recommend the declaration and payment of dividends to shareholders. Any dividend recommendation is not guaranteed and remains dependent on the Company's financial performance, cash flow position, and future capital requirements.

The Company seeks to adopt a balanced and prudent dividend approach that:

a) provide shareholders of the Company with a stable return on investment;
b) preserves sufficient capital to support operations, maintenance, and growth of the Company;
c) maintains adequate liquidity and solvency for the Company; and
d) protects the Company's long-term financial sustainability.

2.5 Forms of Dividends

Subject to the requirements of the applicable laws and regulations of Oman, dividends may be distributed to shareholders in one or more of the following forms:

a) Cash dividends;
b) Bonus shares or stock dividends, if deemed appropriate; and
c) Any other form permitted under applicable laws and regulatory requirements.

2.6 Key Determinants for Dividend Declaration

In determining the amount and timing of any dividend distribution, the Company's Board will take into consideration a range of factors, including but not limited to:

a) the Company's net profits, accumulated retained earnings, and availability of distributable reserves;
b) cash flow generation, liquidity position, and overall financial flexibility;
c) planned capital expenditure, maintenance requirements, and operational funding needs;
d) the Company's debt profile, financing arrangements, and compliance with financial covenants, any prepayment or cash sweep requirements and payment waterfall under the loan agreements;
e) prevailing macroeconomic conditions and the regulatory, operational, and market outlook of the power generation and electricity sector in which the Company operates.; and any applicable legal and regulatory requirement.

2.7 Dividend Frequency and Declaration

The Company shall consider dividend distributions on an annual or semi-annual basis, following the approval of its audited financial statements at a general meeting and in accordance with applicable laws and regulatory requirements.

Declared dividends shall accrue on the date of the general meeting which approved such dividends or any other date determined by the general meeting. In case where shareholders authorize the Board to determine and distribute dividends, dividends shall accrue on the record date determined by the Board. In all cases dividends shall accrue to the holders at the end of working hours on the record date which shall in all cases be a day on which banks are open for business in Oman.

Any approved dividends shall be distributed within the timelines prescribed by the FSA, including those set out under FSA Circular E/6/2025.

The issued and subscribed shares rank equally for any rights to dividends that may be declared and paid by the Company on a pari-passu basis. The Shareholders' register of the Company is maintained by the Muscat Clearing and Depository Company ("**MCD**") enabling shareholders to receive dividends declared under the law on each record date.

2.8 Legal and Regulatory Constraints

Dividend distributions shall be made strictly in accordance with the Omani Commercial Companies Law and shall not be declared if:

a) it negatively affects the joint stock company's ability to pay its debts and financial liabilities on time; or

b) the dividend is paid out of fictitious profits; or

c) the joint stock company has sustained a loss which has not been fully extinguished.

No distribution shall be made except from the net profits of the Company after deduction of all the necessary costs and setting aside the depreciations, appropriations and reserve which must be set aside, including any part of the profits allocated by the Company for the increase in the share capital.

س.ت. ١٦٦٠٤٠٣ | هاتف: ٢٦٨٩٦٤٩٩ | فاكس: ٢٦٨٩٤٣٨٧ | صندوق البريد ٥٧٢ | الرمز البريدي ٣٢٠ | بركاء، سلطنة عمان
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2.9 Approval and Disclosure

Dividend recommendations are proposed by the Board and are subject to approval by shareholders at a general meeting. The shareholders in the general meeting may authorize the Board to determine and distribute cash dividends. All dividend-related announcements, including the declaration date, record date, ex-dividend date, and payment date, shall be communicated in bilingual form (Arabic and English) through relevant platforms including but not limited to the MSX disclosure channels, MCD platform in accordance with applicable laws and regulatory requirements.

2.10 Transparency

The Company shall make this Policy publicly available to ensure transparency and provide clarity to shareholders and the investors community. The Policy shall be disclosed on the Company's official website and through the MSX disclosure platform.

Such disclosure enables shareholders and the investing public to understand the Company's approach to dividend distribution, including its guiding principles, procedures, and factors considered in determining dividends, in accordance with applicable laws and regulations.

2.11 Amendment

The board has the authority to amend the dividend distribution policy periodically to ensure alignment with company strategy and market conditions and regulatory requirements. Any amendments will be disclosed to shareholders via MSX and the company website.

2.12 Disclaimer

This Policy does not constitute a commitment to declare or pay dividends. Actual dividend declarations depend on the Company's financial performance, cash availability, regulatory approvals, and other prevailing circumstances.

2.13 Contact Information

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