



MERGER & ACQUISITION POLICY

INTRODUCTION

Oman Aluminium Processing Industries Ltd (“OAPIL” or “Company”) recognizes that mergers and acquisitions (M&A) can be strategic initiatives that contribute to the growth and success of the organization. This policy outlines the guidelines and procedures to be followed by the Company when considering, evaluating, and executing merger and acquisition opportunities.

OBJECTIVE

The objective of this policy is to ensure that all Merger & Acquisition (hereafter referred to as “activities”) are conducted in a structured and consistent manner, aligning with the Company's strategic goals, maximizing shareholder value, and minimizing potential risks.

The objectives of this policy are to:

- Establish a framework to evaluate potential M&A opportunities
- Ensure proper due diligence is conducted on potential targets
- Promote effective valuation and negotiation processes
- Establish guidelines for documentation, approval, and integration of acquired entities
- Safeguard the confidentiality of sensitive information throughout the M&A process
- Ensure compliance with applicable laws, regulations, and internal policies
- Promote effective communication, training, and awareness among stakeholders
- Establish a monitoring and evaluation mechanism for M&A activities



- Facilitate periodic reviews and amendments to this policy as necessary

DEFINITIONS

- **Merger:** The combination of two or more companies into a single entity, where one company ceases to exist, and the surviving company assumes all rights, assets, and liabilities.
- **Acquisition:** The purchase of a controlling interest in another company, allowing the acquiring company to exercise control over the acquired entity.
- **Due Diligence:** The process of evaluating the financial, legal, operational, and strategic aspects of a target company before entering into a merger or acquisition.
- **Integration:** The process of combining the operations, systems, and cultures of two or more companies following a merger or acquisition.
- **ESG:** Environmental, social, and corporate governance (ESG), is a business framework for considering environmental issues and social issues in the context of corporate governance.

GOVERNANCE & RESPONSIBILITIES

The Chief Strategy Officer shall oversee the M&A activities and review and approve significant M&A transactions. The Chief Strategy Officer shall have overall responsibility for the execution of the M&A strategy.

Communication

Effective communication shall be maintained throughout the merger and acquisition process to ensure transparency and minimize disruption. Communication plans shall be developed to address internal and external stakeholders, including employees, customers, suppliers, and regulators.

Approvals and Documentation

The M&A transaction, including its terms, conditions, and proposed structure, shall be documented in a legally binding agreement. The agreement shall be subject to necessary



approvals, such as the Chief Strategy Officer, regulatory authorities, shareholders, and appropriate departments, as required by law. The Committee shall work closely with legal counsel to ensure compliance with all applicable laws, regulations, and corporate governance requirements.

Merger and Acquisition Committee

The Company shall establish a Merger and Acquisition Committee (the "**Committee**") composed of senior executives and board members. The Committee, governed by the Chief Strategy Officer shall be responsible for coordinating and executing the M&A transactions along with overseeing and approval of all significant M&A transactions.

Responsibilities

- The Committee shall review and approve the overall merger and acquisition strategy.
- The Committee shall oversee the identification, evaluation, and execution of potential opportunities.
- The Committee shall ensure appropriate due diligence is conducted on potential targets.
- The Committee shall review and approve the terms and structure of merger and acquisition transactions.
- The Committee shall monitor the integration process and assess post-merger performance.
- The Committee shall ensure compliance with all legal, regulatory, and governance requirements.

MERGER AND ACQUISITION PROCESS

Identification and Evaluation of Opportunities

The Company shall maintain a proactive approach to identify potential merger and acquisition opportunities that align with the Company's strategic objectives. Opportunities may be sourced through various channels, including internal research, industry networks, financial advisors, and



market intelligence. Potential opportunities shall be evaluated based on strategic fit, financial viability, cultural alignment, and other relevant factors.

Identification and Evaluation of Targets

The Committee shall proactively identify potential targets based on strategic fit and industry research. Targets shall be evaluated based on financial performance, growth potential, market position, legal and regulatory compliance, and cultural compatibility. A thorough due diligence process shall be conducted to assess risks, liabilities, intellectual property rights, and any other relevant factors. External consultants, such as legal and financial advisors, may be engaged to provide expertise during the evaluation process.

Due Diligence

Due diligence shall be conducted on potential targets to assess their financial, legal, operational, and strategic aspects. The due diligence process shall be thorough, systematic, and carried out by qualified professionals. The findings of due diligence shall be documented and reviewed by the Committee before proceeding with the transaction.

Negotiation and Deal Structuring

Negotiations with potential targets shall be conducted in good faith based on a combination of financial metrics, such as earnings, cash flow, and market value, as well as strategic factors, aiming to achieve a mutually beneficial agreement. The terms and structure of the transaction, including valuation, consideration, and other key elements, shall be carefully negotiated and documented. The Committee shall ensure confidentiality during the negotiation process to prevent the premature disclosure of sensitive information. Legal and financial advisors shall be engaged as necessary to ensure compliance and sound deal structuring.

Integration Planning

Integration planning shall commence early in the merger and acquisition process to ensure a seamless transition. An integration team shall be formed, comprising representatives from relevant functions across both the Company and the target entity. The integration plan shall



address key areas, including organizational structure, operations, IT systems, culture, and communication.

Monitoring and Evaluation

The Committee shall monitor the performance of acquired entities post-merger and assess the achievement of expected synergies and financial targets. Regular reporting and analysis of the M&A activities shall be provided to The Chief Strategy Officer and senior management. Lessons learned from completed M&A transactions shall be documented and used to improve future M&A processes.

Execution and Closing

The transaction shall be executed in accordance with the approved terms and structure, subject to all necessary regulatory and legal approvals. The closing process shall be managed effectively to ensure a smooth transfer of ownership and responsibilities.

Post-Merger Integration

The integration team shall be responsible for overseeing the post-merger integration process. Integration progress shall be monitored and reported regularly to the Committee. Key performance indicators (KPIs) shall be established to evaluate the success of the integration and capture synergies.

ENVIRONMENT, SOCIAL & GOVERNANCE

The Company shall adopt a code of ethical conduct, pursuant to which the Company shall introduce and implement policies and procedures to ensure that it adheres to and aligns its operations and strategies with environmental, social and corporate governance disclosure requirements and best practice (the ESG Code). The Committee will appoint one of its members to be responsible for the implementation of the ESG Code. Each year the committee will provide the Investors with a report outlining how the Company is managing important environmental, social and corporate governance matters, what further action (if any) should be taken by the Company, how the Company has improved in its implementation of the ESG Code so far and how



the Company can improve its performance in this respect further. The Company shall provide promptly upon request, such other information concerning material developments in environmental, social and corporate governance disclosure requirements and best practice and the Company's implementation of the ESG Code as the Investors may from time-to-time reasonably request. In case any breach of the ESG Code has occurred, the Company shall proactively inform Investors as soon as possible.

COMPLIANCE

All M&A activities shall be conducted in compliance with applicable laws, regulations, and ethical standards. Confidentiality of information related to potential targets shall be maintained throughout the process. Any potential conflicts of interest shall be disclosed and managed appropriately.

ESG Compliance

The Company shall use commercially reasonable efforts to comply with applicable environmental, social and governance (ESG) laws and regulations and shall foresee any known or expected future changes in the requirements and take all reasonable actions to ensure compliance. The Company shall respond diligently to requests of information ESG matters received from the investors. In case any ESG incident occurs, the Company shall proactively inform the Major Investors as soon as practicable.

POLICY REVIEW

This M&A Policy shall be reviewed periodically to ensure its effectiveness and alignment with the Company's evolving needs and regulatory changes. Any necessary updates or amendments shall be approved by the Committee and communicated to all relevant stakeholders.



CONCLUSION

This Merger & Acquisition Policy serves as a framework to guide the Company's M&A activities. It outlines the necessary steps, responsibilities, and considerations to be followed throughout the M&A process, with the ultimate goal of creating value for the Company and its stakeholders.

A handwritten signature in black ink, appearing to read "C. A. [unclear]", is written over a light blue rectangular background.