

# SULTANATE OF OMAN



هيئة تنظيم الخدمات العامة  
Authority for Public Services Regulation

## Desalination Licence of a Special Nature

GRANTED TO

**Muscat City Desalination Company S.A.O.C**

Effective: 30 June 2016

Modified: 24 October 2022

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## **PART I THE LICENCE**

### **1. Grant of the Licence**

The Authority for Public Services Regulation, (hereinafter referred to as "the Authority"), in exercise of the powers conferred upon it by Article (2) of the Law for the Regulation and Privatisation of the Electricity and Related Water Sector promulgated by the Royal Decree No. (78/2004) (hereinafter referred to as the "Sector Law"), hereby grants to Muscat City Desalination Company S.A.O.C (hereinafter referred to as the "Licensee") a Desalination Licence of a Special Nature (hereinafter referred to as the "Licence") to Desalinate water from the Desalination Facility of a Special Nature identified in Schedule 1 of this Licence (hereinafter referred to as the "Production Facilities").

### **2. Conditions of the Licence**

This Licence is granted on the conditions set out in Part II (hereinafter referred to as the "Conditions") for the period referred to in paragraph 3 below and for the purposes of enabling the Licensee to carry out the licensed activities as referred to in paragraph 4 below (hereinafter referred to as the "Licensed Activities").

This Licence is subject to:

- (a) modification in accordance with Article (109) of the Sector Law and in accordance with its terms; and
- (b) revocation in accordance with Condition 18.

### **3. Term of the Licence**

This Licence shall come into force on 30 June 2016 and, unless terminated in accordance with the provisions of Condition 18, shall continue in full force and effect for a period of twenty five (25) years from 30 June 2016.

### **4. Licensed Activities**

This Licence authorises the Licensee to carry out the Desalination of water from the Production Facilities up to a maximum installed capacity of 42 MIGD (190,932 m<sup>3</sup>/day).

### **5. Governing Language**

The governing language of this Licence shall be the English language.

## 6. Definitions

The following words and expressions when used in this Licence shall have the following meanings:

<b>"Affiliate"</b>	in relation to the Licensee means any Person which Controls (directly or indirectly) the Licensee and any other Person Controlled (directly or indirectly) by such first mentioned Person, including where the Licensee is a company, the ultimate holding company of the Licensee and any holding company of the Licensee and any subsidiary of such holding company;
<b>"Company"</b>	has the meaning given to it in the Commercial Companies Law, No. 4/74, as amended and <b>Companies</b> shall be construed accordingly;
<b>"Competent Authority"</b>	any unit of the State Administrative Apparatus, and what is considered as such, and the branches and divisions related thereto, which have been assigned with any jurisdiction pursuant to the Sector Law;
<b>"Condition"</b>	has the meaning given to it in paragraph (2) of Part I;
<b>"Controls"</b>	means, in respect of a Person by another, that that other (whether alone or with others and whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise): <ul style="list-style-type: none"> <li>(i) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that Person or of any other Person which controls that Person; or</li> <li>(ii) controls or has the power to control the affairs and policies of that Person or of any other Person which controls that Person; or</li> <li>(iii) is the parent undertaking of that Person or is the parent undertaking of any other Person which controls that Person; or</li> </ul>

- (iv) possesses or is, or will be at a future date, entitled to acquire:
  - (A) twenty per cent (20%) or more of the share capital or issued share capital of, or of the voting power in, that Person or any other Person which controls that Person; or
  - (B) such part of the issued share capital of that Person or any other Person which controls that Person as would, if the whole of the income of such Person were in fact distributed, entitle him to receive twenty per cent (20%) or more of the amount so distributed; or
  - (C) such rights as would, in the event of the winding-up of that Person or any other Person which controls that Person or in any other circumstances, entitle him to receive twenty per cent (20%) or more of the assets of such Person which would then be available for distribution,

and, for those purposes, there shall be attributed to any Person the rights or powers of any nominee or associate of his and the rights and powers of any one or more Persons which he, or he and any nominee or associate of his, controls

and "**Control**" and "**Controlled**" shall be construed accordingly;

**"Desalination"** means the production of demineralised and/ or potable water by desalination and **Desalinated** shall be construed accordingly;

**"Desalination Business"** means the authorised business of the Licensee (or any Affiliate) in the Desalination of water in the Sultanate of Oman;

**"Desalination Facility of a Special Nature"** a water Desalination facility which is not combined with a facility for the Generation of electricity or co-located with it at the same site, the criteria for its definition shall be issued by a decision of the Chairman of the Board of Authority for Public Services Regulation;

<b>"Desalination Licence of a Special Nature"</b>	an authorisation to undertake the activity of water Desalination from a Desalination Facility of a Special Nature;
<b>"Desalination Unit"</b>	means any plant or apparatus for the Desalination of water including a facility comprising one or more Desalination units;
<b>"Dispatch"</b>	means the general process by which instructions are determined and the issuing of those instructions to Licensed Generators and/or Licensed Generators/Desalinators, and/or Licensed Desalinators from Desalination Facilities of a Special nature as to the operation or cessation of operation of their production facilities.
<b>"Distribution"</b>	means, in relation to electricity, the transport of electricity by means of a Distribution System and <b>Distribute</b> shall be construed accordingly;
<b>"Electric Line"</b>	<p>means any line, whether underground or overground, which is used for carrying electricity for any purpose and includes, unless the context otherwise requires:</p> <ul style="list-style-type: none"> <li>(a) any support for any such line, including, without limitation, any structure, pole, pylon or other thing in, on, by or from which any such line is or may be supported, carried or suspended;</li> <li>(b) any apparatus connected to any such line for the purpose of carrying electricity; and</li> <li>(c) any wire, cable, tube, pipe or other similar thing (including its casing, insulator or coating) which surrounds or supports, or is surrounded or supported by, or is installed in close proximity to, or is supported, carried or suspended, in association with, any such line;</li> </ul>
<b>"Government"</b>	means the Government of the Sultanate of Oman;
<b>"Insolvency"</b>	<p>means the occurrence of any of the following:</p> <ul style="list-style-type: none"> <li>(a) the passing of a resolution for the bankruptcy, insolvency, winding-up, liquidation of, or similar proceeding against or relating to the Licensee; and/or</li> </ul>

(b) the appointment of a trustee, liquidator, custodian or similar person in connection with any matter or proceeding referred to at (a) above, where the appointment is not set aside or stayed within sixty (60) days of such appointment; and/or

(c) a court which has jurisdiction making an order to wind up or otherwise confirm the bankruptcy or insolvency of the Licensee where the order is not set aside or stayed within (60) days;

and Insolvent shall be construed accordingly;

<b>"Interconnector"</b>	means facilities which Connect two Systems;
<b>"Licence"</b>	means a written authorisation to undertake a Regulated Activity issued by the Authority pursuant to the Sector Law and shall, unless the context otherwise requires, include this Licence;
<b>"Licence Holder "or "Licensee"</b>	means any Person who is the holder of a Licence and shall, where the context permits, include the Licensee;
<b>"Licensed Activities"</b>	has the meaning given to it in paragraph 2 of Part I;
<b>"Licensee"</b>	has the meaning given to it in paragraph 1 of Part I;
<b>"Omani Content"</b>	means Omani products, suppliers and contractors;
<b>"Omanisation"</b>	means the Government's policy for the employment and training of Omani nationals;
<b>"Operational Balancing Purposes"</b>	means purposes necessarily ancillary to the conduct of the Licensed Activities involving the filling up or drawing down of water in storage;
<b>"Person"</b>	means any natural person or public or private legal person or corporations or societies or organisations;
<b>"Premises"</b>	means any land, building or structure occupied or used by a Person;

<b>"Production Capacity"</b>	means the electricity Generation capacity or electricity Generation capacity combined with or co-located with water Desalination capacity in the same site or the water Desalination capacity from a Desalination Facility of a Special Nature, as the context so requires;
<b>"Production Facilities"</b>	has the meaning given to it in paragraph 1 of Part I;
<b>"Production Facility"</b>	means the installations used for the Generation of electricity or the Generation of electricity combined with the Desalination of water or the Generation of electricity co-located with the Desalination of water in the same site or the Desalination of water from a Desalination Facility of a Special Nature, including all associated Electric and water lines connected to such installations;
<b>"PWP"</b>	means the Oman Power and Water Procurement Company SAOC referred to in Article (66) of the Sector Law, having the functions assigned to it under the Sector Law;
<b>"Regulatory Accounting Guidelines"</b>	means guidelines issued by the Authority from time to time in connection with the preparation of regulatory accounts;
<b>"Regulated Activity"</b>	means each of the activities listed in Article (3) of the Sector Law;
<b>"Related Water"</b>	means Desalinated water in the Sultanate of Oman which is combined or co-located with the electricity Generation and Desalinated water from Desalination Facilities of a Special Nature which is regulated by the Sector Law;
<b>"Sector Law"</b>	has the meaning given to it in paragraph 1 of Part I;
<b>"Supply"</b>	the supply of electricity to any Premises
<b>"System"</b>	means a Distribution System or a Transmission System, as the context requires;
<b>"The Authority"</b>	means the office of Authority for Public Services Regulation, being the Authority established pursuant to Article (19) of the Sector Law;



<b>"Water Department"</b>	means any major division or sub-division responsible for Related Water at the Operating Companies as stated in Royal Decree 131/2020, or any other Company;
<b>"Water Transmission System"</b>	means the system consisting (wholly or mainly) of high pressure water pipelines and used for the transmission of water from one or more Desalination facilities or water storage facilities to a pumping station or storage facility or between pumping stations; and
<b>"WPA"</b>	means the Water Purchase Agreement entered into by the Licensee and PWP for, amongst other things, the purchase and sale of the Production Capacity from the Desalination Facility of a Special Nature;

For the purpose of this Licence:

- (a) where any obligation of the Licensee is required to be performed within a specified time limit that obligation shall be deemed to continue after that time limit if the Licensee fails to comply with that obligation within that time limit;
- (b) in construing a Condition, the heading or title of any Condition or paragraph shall be disregarded; and
- (c) any reference to a numbered Condition is a reference to the Condition bearing that number or prefix in this Licence and any reference to a paragraph is to the paragraph bearing that number or prefix in the Condition in which the reference occurs.

## **PART II: CONDITIONS**

### **Condition 1: Part II Conditions**

The Conditions in this Part II of this Licence shall apply to the Licensed Activities listed in paragraph 4 of Part I.

### **Condition 2: Prohibited activities and cross-ownership**

1. The Licensee shall not and shall procure that any Affiliate of the Licensee shall not, on its own account (or that of the Licensee or of any Affiliate of the Licensee, as the case may be):
  - (a) purchase or acquire water in the Sultanate of Oman for the purpose of sale or other disposition to third parties;
  - (b) Convey water by any means in the Sultanate of Oman, except to the extent necessary to deliver water into the Water Transmission System, as appropriate;
  - (c) engage in the Sultanate of Oman in the business of water storage, except for Operational Balancing Purposes;
  - (d) engage in the Sultanate of Oman in the distribution or supply of water to any Premises;
  - (e) without the consent in writing of the Authority, hold any economic interest, whether by the ownership of shares or otherwise, in entities which, on their own account or in combination with other entities, provide more in aggregate than twenty five per cent (25%) of the Production Capacity of production facilities which Desalinate water and form part of the relevant market of water Desalination as defined by the Authority for this purpose.
 

The Authority shall, in determining whether the thresholds referred to in paragraph (e) of this Condition 2 have been breached, be entitled to take account of the production facilities outside the Sultanate of Oman from which water is available for Import and any economic interest in this production facilities held by the Licensee or any Affiliate of the Licensee;
  - (f) without the consent in writing of the Authority, hold any economic interest, whether by the ownership of shares or otherwise, in entities which undertake activities of transmission, Dispatch, distribution or supply of water in the Sultanate of Oman.
2. Subject to the provisions of Article (30), Article (31) and Article (32) of the Sector Law, the Licensee shall not sell or otherwise grant any right to the Production Capacity of its Production Facilities to anyone other than the PWP.

3. The Licensee shall not, without the prior written consent of the Authority, carry on any activities other than the Licensed Activities or those other activities necessarily ancillary thereto.
4. The Licensee shall, in carrying out the Licensed Activities, comply at all times with the Law.

### **Condition 3: Compliance with Applicable Codes**

1. The Licensee shall, to the extent that the same is applicable to it, become and remain a party to and shall comply with the provisions of the Grid Code and/or the Distribution Code.
2. The Authority may (following consultation with the relevant Licensed Transmission or Distribution System Operator) issue directions relieving the Licensee of its obligation under paragraph 1 in respect of such parts of the relevant Code, and to such extent, as may be specified in those directions.

### **Condition 4: Dispatch**

1. The Licensee shall, at such times and in such manner as may be provided under the WPA or any other agreement, provide PAEW, or any other relevant entity pursuant to the WPA, with all information reasonably required by it to enable it to operate the system of Dispatch of water.
2. The Licensee shall comply promptly with Dispatch instructions as per the arrangements and obligations stipulated in the WPA.

### **Condition 5: Provision of information to the Authority**

1. The Licensee shall furnish to the Authority, in such manner and at such times as the Authority may require, such information and shall procure and furnish to it such reports, as the Authority may consider necessary in the light of the Conditions or as it may require for the purpose of performing the functions assigned to it by or under the Sector Law.
2. Without prejudice to the generality of paragraph 1, the Authority may call for the furnishing of accounting information.
3. In paragraphs 1 and 2 of this Condition 5, "information" shall include any documents, accounts, estimates, analysis, returns or reports (whether or not prepared specifically at the request of the Authority) of any description specified by the Authority.

### **Condition 6: Provision of information to PWP**

The Licensee shall furnish to the PWP, in such manner and at such times as the Authority may direct, such information as the Authority may consider necessary to enable the PWP to perform the functions assigned to it by the Sector Law or its Licence.

### **Condition 7: Provision of information to the Water Department**

The Licensee shall furnish to the Water Department, in such manner and at such times as the Authority may direct, such information as the Authority may consider necessary to enable the Water Department to perform those of its functions and duties assigned to it by the Sector Law.

### **Condition 8: Health and safety**

1. The Licensee shall be under a duty in carrying out the Licensed Activities to give due consideration to the health and safety of the general public and to Persons employed by the Licensee, in all circumstances in accordance with the applicable Laws and any regulations from Competent Authorities.
2. Subject to paragraph 6 below, the Licensee shall, taking due account of any guidance issued to it by the Authority and all applicable Laws and regulations, within 90 days of the grant of this Licence, establish a written health and safety policy, together with details of the management arrangements which the Licensee will put in place to give effect to such policy.
3. The Licensee shall review the policy and the management arrangements periodically and otherwise as appropriate.
4. The Licensee shall, upon the establishment of and following the making of any material change to the policy, promptly send to the Authority a copy of the policy and management arrangements which it proposes to put in place to give effect to that policy.
5. The Licensee shall at all times act with regard to the policy and use reasonable endeavours to operate the management arrangements effectively.
6. If a health and safety policy which complies with all applicable Laws and regulations has already been agreed with the Licensee and is reflected in the WPA, the Licensee shall be deemed to have complied with the provisions of paragraph 2 for so long as such policy continues to apply and to the extent that the Licensee complies with the same.

### **Condition 9: Fees**

1. The Licensee shall, at the times stated hereunder, pay to the Authority fees of the amount specified in, or determined under, the following paragraphs of this Condition.
2. In respect of the year beginning on 1st January 2016 and in each subsequent year, the Licensee shall pay the aggregate of the following amounts:
  - (a) an amount which is a proportion as determined by the Authority of the amount estimated by the Authority, according to a method which has previously been disclosed in writing to the Licensee, as likely to be its costs during the coming year in the exercise of its general functions under the Sector Law; and
  - (b) the difference (being a positive or a negative amount), if any, between:
    - (i). the amount of the fee paid by the Licensee in respect of the year immediately preceding the year in question; and
    - (ii). the amount which that fee would have been in respect of that year had the amount comprised therein under sub-paragraph (a) above been calculated by reference to the total costs of the Authority and the proportion thereof actually attributable to the Licensee (such total costs being apportioned as determined by the Authority according to a method previously disclosed in writing to the Licensee)

and the fee shall be paid by the Licensee to the Authority during the year to which it relates in four equal quarterly instalments, the first such instalment being payable within 30 days of the date upon which the Authority gives notice to the Licensee of its amount. In the year beginning 30 June 2016 and ending 31 December 2016, the fee shall be paid in the number of instalments determined by the Authority.

### **Condition 10: Insurance against third party liability**

1. The Licensee shall, in respect of its Licensed Activities, maintain insurance (including Self-Insurance) against third party liabilities on terms approved by the Authority (including, but without limitation, with respect to type, cover, level and identity of insurer) with any modification as may be required pursuant to paragraph 3.
2. The Licensee shall, except as the Authority may otherwise consent, procure that every insurance policy maintained pursuant to paragraph 1 above shall bear an endorsement to the effect that a minimum of 30 days' prior notice shall be given to the Authority by the insurer or insurance broker of any lapse or cancellation of, or material change to, the policy.
3. Where the Authority notifies the Licensee that the Authority requires any modification of the insurance approved by the Authority pursuant to paragraph 1 above, the Licensee shall, no later than 60 days (or such longer period as the Authority may approve) from the date of the notice, procure that such modification is made.

4. In this Condition:

"Self-Insurance" means the Licensee's financial capacity to meet any liability to a third party in respect of which the Licensee does not otherwise have insurance.

### Condition 11: Environmental matters

1. The Licensee shall, taking due account of the guidance issued to it by the Authority and applicable environmental standards prevailing in the Sultanate of Oman, within 180 days of the grant of this Licence, establish a written policy designed to protect the environment from the effect of the Licensed Activities, together with operational objectives and management arrangements to give effect to such policy. The Licensee shall review the policy, the operational objectives and management arrangements periodically and otherwise as appropriate.
2. The Licensee shall, upon the establishment and any material change of them, promptly send to the Authority a copy of the policy, together with a general description of the operational objectives and management arrangements.
3. The Licensee shall act with regard to the policy and operational objectives and use its reasonable endeavours to operate the management arrangements effectively.
4. The Licensee shall, on an annual basis (or at such other intervals as the Authority may direct from time to time) prepare and submit to the Authority a statement setting out how the Licensee is complying and proposes to continue to comply with the guidance issued by the Authority and applicable environmental standards prevailing in the Sultanate of Oman.

### Condition 12: Disposal of assets and transfer of Licence

1. The Licensee shall not:
  - (a) transfer its interests in, under or to this Licence (nor any part thereof), without the prior written consent of the Authority;
  - (b) except in accordance with agreements entered into before 1 August 2004 (being the date on which the Sector Law came into force) create or agree to create any security or effect a Disposal of or relinquish control over any Relevant Asset or liability necessary for the undertaking of the Licensed Activities or create or agree to create or extinguish or agree to extinguish any interest it uses in connection with the Licensed Activities other than with the prior written consent of the Authority.
2. In this Condition:
 

"Disposal" includes any sale, gift, lease, licence, mortgage, charge or the grant of any encumbrance or any other disposition to a third party;

"Relevant Asset" means any material asset which is necessary to enable the Licensee to undertake the Licensed Activities in accordance with the provisions of the Sector Law and this Licence and which at the relevant time forms part of the Production Facilities owned and operated by the Licensee, including any interest in land upon which any such asset is situated.

### Condition 13: Regulatory accounts

1. This Condition shall apply for the purposes of ensuring that the Licensee (and any Affiliate) maintains accounting and reporting arrangements which enable those accounts to be prepared in accordance with such Regulatory Accounting Guidelines as may be in force from time to time and such other accounting standards as may be approved from time to time by the Authority.
2. The remaining paragraphs of this Condition shall apply from a date determined by the Authority and specified in a notice given to the Licensee specifying:
  - (a) the date from which the following paragraphs shall apply, being a date no less than six months after service of the notice; and
  - (b) any modifications which the Authority may require to this Condition in relation to the subject matter of the notice.
3. The Licensee shall:
  - (a) keep or cause to be kept for the end of its financial years, and in the manner referred to in this Condition:
    - (i) such accounting records in respect of the Desalination Business as are required to be kept in respect of such business by Law; and
    - (ii) such other accounting records in respect of such Desalination Business as may be required by the Authority;
  - (b) prepare on a consistent basis from such accounting records in respect of:
    - (i) each financial year, accounting statements comprising a profit and loss account, a balance sheet and a statement of cash flow, together with notes thereto;
    - (ii) such other financial statements as may be required by the Authority;
  - (c) procure, in respect of the accounting statements prepared in accordance with this Condition in respect of a financial year, a report by auditors and addressed to the Authority stating whether in their opinion those statements have been properly prepared in accordance with this Condition and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to the Desalination Business; and

- (d) deliver to the Authority:
  - (i) the auditors' report referred to in sub-paragraph (c) above; and
  - (ii) the accounting statements referred to in sub-paragraph (b)(i) above,  
as soon as reasonably practicable, and in any event not later than six months after the end of the financial year to which they relate in the case of the accounting statements referred to in paragraph 3(b)(i) and the auditor's report referred to in paragraph 3(c).
- 4. Accounting statements in respect of a financial year prepared under paragraph 3(b)(i) shall, and unless otherwise approved by the Authority having regard to the purposes of this Condition:
  - (a) have the same content and format as the annual accounts of the Licensee prepared under relevant Law;
  - (b) conform to the best commercial accounting practices and to the accounting standards or such other standards as may be notified to the Licensee by the Authority from time to time;
  - (c) state the accounting policies adopted; and
  - (d) be published with the annual accounts of the Licensee.

#### **Condition 14: Omani Content and Omanisation**

1. The Licensee shall use all reasonable efforts, in conducting the Licensed Activities, to promote and encourage the employment and training of Omani nationals and otherwise comply with and procure compliance with the Government's policy from time to time in respect of Omanisation and Omani Content.
2. The Licensee shall, on an annual basis (or at such other intervals as the Authority may direct from time to time) prepare and submit to the Authority a statement setting out how the Licensee is complying and proposes to continue to comply with the Government's policy for the time being in respect of Omanisation and Omani Content.



## **Condition 15: Regulatory Compliance**

The Licensee shall, insofar as they are applicable to it, comply with all regulations, conditions, instructions, directives, and all other Regulatory changes and developments that may be issued by the Authority from time to time, including in relation to applicable tariffs and charges.

## **Condition 16: SCADA and DCS Cyber Security**

1. The Licensee shall, in carrying out the Licensed Activities, safeguard and protect its SCADA and DCS systems from Cyber Security threats, in all circumstances in accordance with applicable law and relevant regulations from Competent Authorities.
2. The Licensee shall comply with the SCADA and DCS Cyber Security Standards issued by the Authority from time to time in the timescale stipulated by the Authority from time to time requiring the Licensee to:
  - (i) Establish effective governance of the SCADA/ DCS environment;
  - (ii) Understand the risk to business of SCADA/ DCS Cyber Security threats;
  - (iii) Establish and maintain secure SCADA/DCS systems and architecture;
  - (iv) Implement incident response, business continuity and disaster recovery plans for SCADA/DCS systems;
  - (v) Establish a SCADA/DCS cyber security training and awareness programme;
  - (vi) Manage third party SCADA/DCS cyber security risks ; and
  - (vii) Ensure security controls are included in SCADA/DCS system changes and projects.
3. The Licensee shall appoint a suitably qualified and experienced person as a Single Point of Accountability (SPoA) responsible for SCADA/DCS Cyber Security in the organisation. The SPoA shall be a member of the senior management team.
4. The Licensee shall provide the Authority with details of the qualifications, experience and responsibilities of the SPoA and their position in the senior management team, and promptly notify the Authority of a change to the SPoA,
5. The Licensee shall at all times act in accordance with guidance and directions issued to it by the Authority concerning SCADA and DCS Cyber Security and all applicable Laws and regulations, and to take all necessary actions to comply with the Mandatory Standards referred to in paragraph 2 of this Condition.

For the purposes of this Condition:

“Cyber Security” means the tools, policies, security concepts, security safeguards, guidelines, risk management approaches, actions, training, best practices, assurance and technologies used to protect and safeguard SCADA and DCS systems from threats to the availability and integrity of those systems, and the confidentiality of data held by those systems and/or exchanged with other systems.

The general security objectives comprise the following:

- Availability,
- Integrity, which may include authenticity and non-repudiation, and
- Confidentiality

“SCADA and DCS Systems” means all Supervisory Control and Data Acquisition (SCADA) and Distributed Control Systems (DCS) which directly or indirectly enable the Licensee to monitor and/or control industrial operational processes when undertaking the Licensed Activities.

### **Condition 17: Safe and secure Production Facilities**

The Licensee shall operate and maintain the Production Facilities in a safe and secure manner.

### **Condition 18: Revocation**

1. The Authority may at any time revoke this Licence by not less than 30 days' prior notice in writing to the Licensee:
  - (a) if the Licensee agrees in writing with the Authority that this Licence should be revoked;
  - (b) if the Licensee ceases to undertake the Licensed Activities for a period exceeding 90 days, except where the Authority is satisfied that this has occurred as a result of events beyond the reasonable control of the Licensee in which case the Authority shall substitute such longer period as it considers reasonable in the circumstances;

- (c) if any amount payable under Condition 9 is unpaid for 30 days after it has become due and remains unpaid for a period of 30 days after the Authority has given the Licensee notice that the payment is overdue;
  - (d) if the Licensee fails, to any material extent, to perform its duties under this Licence or statutory duties;
  - (e) if the Licensee has been adjudicated Insolvent;
  - (f) if the Licensee suffers a change of Control without the Authority's prior written approval, provided that, in considering whether or not to give such approval, the Authority's primary considerations shall be whether, in all the circumstances, (1) the Person acquiring Control is a fit and proper Person to do so and (2) the change of Control would necessarily cause a breach of the Sector Law or a provision of this Licence;
  - (g) if it is found that the issue of this Licence had been based on inaccurate or incorrect information provided by the Licensee and the Licensee has been convicted of an offence in respect of such provision of inaccurate or incorrect information pursuant to Article (132) (b) of the Sector Law;
  - (h) if the Licensee fails, on a persistent or systematic basis, to comply with Dispatch instructions causing an adverse effect on the efficiency of the water system operation;
  - (i) on expiry of the duration of the existence of the Licensee as specified in its constitutional documentation;
  - (j) on the dissolution of the Licensee; or
  - (k) on the termination of the WPA due to the default of the Licensee.
2. For the purpose of paragraph 1(f) of this Condition, there is a change in the Control of the Licensee whenever a Person obtains Control of the Licensee who did not have Control of the Licensee when this Licence was granted. However, no change of Control shall occur if (1) a person acquires Control of the Licensee as a result of the acquisition of shares in the Licensee at the Muscat Securities Market or (2) lenders exercise any security rights they have in respect of shares in the Licensee so as to step in and assume Control of the Licensee provided, however, that a disposal of shares to a third party who assumes Control of the Licensee shall require the approval of the Authority, such approval not to be unreasonably withheld or delayed in the circumstances.

**Chairman of the Authority for Public Services Regulation  
On behalf of the Authority for Public Services Regulation**

**24 October 2022**

## **SCHEDULE 1 - PRODUCTION FACILITIES**

- 1) The Production Facilities comprise a Reverse Osmosis Desalination unit as per the details provided in Licence Application folder.
- 2) The maximum installed capacity of the Production Facilities is 42 MIGD (190,932 m<sup>3</sup>/day).
- 3) The Production Facilities are located in the Governorate of Muscat as shown in the maps included as Attachment 2.2 of the Licence Application folder.

**Chairman of Authority for Public Services Regulation**

**On Behalf of the Authority For Public Service Regulation**

**24 October 2022**