

Dated 29 September 2020

BANK MUSCAT (SAOG)

DEED OF COVENANT

U.S.\$2,000,000,000

Euro Medium Term Note Programme

Linklaters

Ref: L-283828

Linklaters LLP

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This Deed of Covenant is made on 29 September 2020 **by:**

- (1) **BANK MUSCAT (SAOG)** (the “**Issuer**”) in favour of:
- (2) **THE ACCOUNTHOLDERS** (as defined below); and
- (3) **THE PERSONS** for the time being and from time to time registered as holders of the Registered Notes referred to below (the “**Holders**” of Registered Notes and, together with the Accountholders, the “**Beneficiaries**”).

Whereas:

- (A) The Issuer has established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of notes (the “**Notes**”), in connection with which it has entered into an amended and restated dealer agreement dated 29 September 2020 (the “**Dealer Agreement**”) and an amended and restated issue and paying agency agreement dated 29 September 2020 (the “**Agency Agreement**”).
- (B) The Issuer has made applications to the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for Notes issued under the Programme to be admitted to the official list and to be admitted to trading on the regulated market of Euronext Dublin. Notes may also be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
- (C) In connection with the Programme, the Issuer has prepared a base prospectus dated 29 September 2020, which has been approved by the Central Bank of Ireland as a base prospectus issued in compliance with Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”).
- (D) Notes issued under the Programme may be issued either (1) pursuant to the Base Prospectus (as defined below) describing the Programme and associated final terms (the “**Final Terms**”) or, for the issuance of Notes for which no prospectus is required to be published under the Prospectus Regulation (“**Exempt Notes**”) the associated pricing supplement (the “**Pricing Supplement**”) describing the final terms of the particular Tranche of Notes or (2) pursuant to a Drawdown Prospectus (as defined below) containing all information relevant to the particular Tranche of Notes.
- (E) Notes issued under the Programme may be issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”). Bearer Notes may be in the form of either a temporary global note in bearer form (a “**Temporary Global Note**”) or a permanent global note in bearer form (a “**Permanent Global Note**”) and, together with a Temporary Global Note, a “**Bearer Global Note**”). Registered Notes may be in the form of a global note in registered form (a “**Global Registered Note**”).
- (F) The Issuer wishes to constitute the Registered Notes by deed poll and to make arrangements for the protection of the interests of Accountholders in certain circumstances.

Now this Deed of Covenant witnesses as follows:

1 Interpretation

1.1 Definitions

All terms and expressions which have defined meanings in the Base Prospectus, the Dealer Agreement or the Agency Agreement shall have the same meanings in this Deed of Covenant, except where the context requires otherwise or unless otherwise stated. In addition, in this Deed of Covenant the following expressions have the following meanings:

“Accountholder” means any accountholder with a Clearing System which at the Determination Date has credited to its securities account with such Clearing System one or more Entries in respect of a Global Note, except for any Clearing System in its capacity as an accountholder of another Clearing System.

“Clearing System” means each of Euroclear, Clearstream, Luxembourg and any other clearing system specified in the relevant Final Terms (or, in the case of Exempt Notes, the relevant Pricing Supplement).

“Conditions” has the meaning given in the Base Prospectus except that, in relation to any particular Tranche of Notes, it means the Conditions (as defined in the Base Prospectus) (a) as completed by the information set out in the Final Terms (or as completed, modified and supplemented by the relevant Pricing Supplement in the case of Exempt Notes) and (b) as modified with respect to any Notes represented by a Global Note or Global Registered Note, by the provisions of such Global Note or Global Registered Note, and any reference to a numbered Condition shall be construed accordingly.

“Determination Date” means, in relation to any Bearer Global Note, the date on which such Bearer Global Note ceases to have rights under it in accordance with its terms and, in relation to the bearer of any Global Registered Note, the meaning given to it in the Global Registered Note.

“Direct Rights of Bearer Notes” means the rights referred to in Clause 3.1 (*Direct Rights - Creation of rights in respect of Bearer Notes*).

“Direct Rights of Registered Notes” means the rights referred to in Clause 3.3 (*Direct Rights - Creation of rights in respect of Registered Notes*).

“Entry” means, in relation to a Global Note, any entry which is made in the securities account of any Accountholder with a Clearing System in respect of Notes represented by such Global Note.

“Global Note” means a Temporary Global Note, a Permanent Global Note or a Global Registered Note.

“Principal Amount” means, in respect of any Entry, the aggregate principal amount of the Notes to which such Entry relates.

1.2 Clauses

Any reference in this Deed of Covenant to a Clause is, unless otherwise stated, to a clause hereof.

1.3 Other agreements

All references in this Deed of Covenant to an agreement, instrument or other document (including the Base Prospectus, the Dealer Agreement and the Agency Agreement) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time. In addition, in the context of any particular Tranche of Notes, each reference in this Deed of Covenant to the Base Prospectus shall be construed as a reference to the Base Prospectus as supplemented and/or amended by the relevant Final Terms (or, in the case of Exempt Notes, the relevant Pricing Supplement).

1.4 Legislation

Any reference in this Deed of Covenant to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

1.5 Headings

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Deed of Covenant.

1.6 Benefit of Deed of Covenant

Any Notes issued under the Programme on or after the date of this Deed of Covenant shall have the benefit of this Deed of Covenant but shall not have the benefit of any subsequent deed of covenant relating to the Programme (unless expressly so provided in any such subsequent deed).

1.7 Final Terms or Drawdown Prospectus

In the case of a Tranche of Notes issued pursuant to a Drawdown Prospectus, each reference in this Deed of Covenant to "Final Terms" shall be read and construed as a reference to such Drawdown Prospectus unless the context requires otherwise.

2 The Registered Notes

The Issuer hereby constitutes the Registered Notes and covenants in favour of each Holder of a Registered Note that it will duly perform and comply with the obligations expressed to be undertaken by it in each Note Certificate and in the Conditions (and for this purpose any reference in the Conditions to any obligation or payment under or in respect of the Notes shall be construed to include a reference to any obligation or payment under or pursuant to this provision).

3 Direct Rights

3.1 Creation of rights in respect of Bearer Notes

If at any time the bearer of the Bearer Global Note representing a Tranche of Bearer Notes ceases to have rights under it in accordance with its terms, each Accountholder in respect of such Bearer Notes shall have against the Issuer all rights ("**Direct Rights of Bearer Notes**") which such Accountholder would have had in respect of the Bearer Notes if, immediately before the Determination Date in relation to that Global Note, it had been the

Holder of Definitive Notes of that Tranche, duly executed, authenticated and issued, in an aggregate principal amount equal to the Principal Amount of such Accountholder's Entries relating to such Global Note, including (without limitation) the right to receive all payments due at any time in respect of such Definitive Notes as if such Definitive Notes had (where required by the Conditions) been duly presented and (where required by the Conditions) surrendered on the due date in accordance with the Conditions. Anything which might prevent the issuance of Definitive Notes in an aggregate principal amount equal to the Principal Amount of any Entry of any Accountholder shall be disregarded for the purposes of this Clause 3.1, but without prejudice to its effectiveness for any other purpose.

3.2 No Further Action in respect of Bearer Notes

In respect of Bearer Notes, no further action shall be required on the part of the Issuer or any other person:

- (a) **Direct Rights of Bearer Notes:** for the Accountholders to enjoy the Direct Rights of Bearer Notes; or
- (b) **Benefit of the Conditions:** for each Accountholder to have the benefit of the Conditions as if they had been incorporated *mutatis mutandis* into this Deed of Covenant,

provided, however, that nothing herein shall entitle any Accountholder in respect of Bearer Notes to receive any payment in respect of any Bearer Global Note which has already been made.

3.3 Creation of rights in respect of Registered Notes

If the Determination Date occurs in respect of a Global Registered Note representing a Tranche of Notes, in accordance with its terms, then each Accountholder in respect of such Registered Note shall acquire the right ("**Direct Rights of Registered Notes**") to enforce against the Issuer, the Issuer's obligations to the Holder in respect of the Registered Notes represented by the Global Registered Note, including the obligation of the Issuer to make all payments when due at any time in respect of such Registered Notes as if such Registered Notes had been duly presented and (where required by the Conditions) surrendered on the due date in accordance with the Conditions.

3.4 Effect in respect of Registered Notes

Notwithstanding the Direct Rights of Registered Notes that may be created under Clause 3.3 (*Creation of rights in respect of Registered Notes*):

- (a) **Discharge:** payment to the Holder in respect of any Registered Notes represented by the Global Registered Note shall constitute a discharge of the Issuer's obligations to the extent of any such payment; and
- (b) **Payment to Holder:** nothing herein shall oblige the Issuer to make any payment under the Registered Notes to or to the order of any person other than the Holder.

3.5 No Further Action in respect of Registered Notes

In respect of Registered Notes, no further action shall be required on the part of the Issuer or any other person for the Accountholders to enjoy the Direct Rights of Registered Notes.

4 Evidence

4.1 Records

The records of the Clearing Systems shall be conclusive as to the identity of the Accountholders and the respective amounts of Notes credited to their securities accounts and a statement issued by a Clearing System setting out:

- (a) **Name:** the name of the Accountholder in respect of which it is issued; and
- (b) **Principal Amount:** the Principal Amount of any Entry credited to the securities account of such Accountholder with such Clearing System on any date,

shall, in the absence of manifest error, be conclusive evidence for all purposes of this Deed of Covenant.

4.2 Determination Date

If a Clearing System determines the Determination Date, such determination shall be binding on all Accountholders with such Clearing System.

5 Deposit of Deed of Covenant

This Deed of Covenant shall be deposited with and held by the Fiscal Agent for so long as the Programme remains in effect and thereafter until the date on which all the obligations of the Issuer under or in respect of the Notes (including, without limitation, its obligations under this Deed of Covenant) have been discharged in full. The Issuer hereby acknowledges the right of every Beneficiary to the production of this Deed of Covenant.

6 Stamp Duties

The Issuer shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which may be payable upon or in connection with the execution and delivery of this Deed of Covenant, and shall indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it may incur or which may be made against it as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

7 Benefit of Deed of Covenant

7.1 Deed Poll

This Deed of Covenant shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.

7.2 Benefit

This Deed of Covenant shall enure to the benefit of each Beneficiary and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed of Covenant against the Issuer.

7.3 Assignment

The Issuer shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Beneficiary shall be entitled to assign all or any of its rights and benefits hereunder.

8 Partial Invalidity

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision or any other provision hereof under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

9 Notices

9.1 Address for notices

All notices and other communications to the Issuer hereunder shall be made in writing (by letter or fax) and shall be sent to the Issuer at:

Address: P.O. Box 134, Ruwi
Postal Code 112
Sultanate of Oman

Fax: + 968 2470 5506

Attention: N.S. Mony – Group Head of Global Financial Institutions

or to such other address or fax number or for the attention of such other person or department as the Issuer has notified to the Noteholders in the manner prescribed for the giving of notices in connection with the Notes.

9.2 Effectiveness

Every notice or other communication sent in accordance with Clause 9.1 (*Address for notices*) shall be effective upon receipt by the Issuer, provided, however, that any such notice or other communication which would otherwise take effect after 2.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the Issuer.

10 Payments

All payments by the Issuer under this Deed shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Sultanate of Oman or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Beneficiaries after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable:

10.1 to, or to a third party on behalf of, a Beneficiary which is liable to such taxes, duties, assessments or governmental charges by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than merely having the relevant Entry credited to their securities account or holding the relevant Registered Note, as the case may be; or

10.2 in respect of any demand made more than 30 days after the date upon which demand may first be made hereunder, except to the extent that the Beneficiary would have been entitled to such additional amounts on making such demand on the last day of such period of 30 days.

11 Law, Arbitration and Jurisdiction

11.1 Governing law

This Deed of Covenant (including the remaining provisions of this Clause 11 and any non-contractual obligations arising out of or in connection with this Deed of Covenant) shall be governed by and construed in accordance with English law.

11.2 Arbitration

(a) **Arbitration:** Subject to Clause 11.3 (*Beneficiary's option*), any dispute, claim, difference or controversy arising out of, relating to or having any connection with this Deed of Covenant (including any dispute, claim, difference or controversy regarding its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity or any dispute relating to any non-contractual obligations arising out of or in connection with it) (a "**Dispute**") shall be referred to and finally resolved by arbitration under the Arbitration Rules of the LCIA (the "**Rules**") which Rules (as amended from time to time) are incorporated by reference into this Clause 11.2; provided, however, that any provisions of such Rules relating to the nationality of an arbitrator shall, to that extent, not apply.

(b) **Formation of arbitral tribunal, seat and language of arbitration:**

(i) There shall be three arbitrators each of whom shall be an attorney experienced in international securities transactions. The claimant(s), irrespective of number, shall nominate jointly one arbitrator; the respondent(s), irrespective of number, shall nominate jointly the second arbitrator, and a third arbitrator (who shall act as presiding arbitrator) shall be nominated by the arbitrators nominated by or on behalf of the claimant(s) and respondent(s) or, in the absence of agreement on the third arbitrator within 30 days of the date of nomination of the later of the two party-nominated arbitrators to be nominated, the third arbitrator shall be chosen by the LCIA Court (as defined in the Rules).

(ii) The seat of arbitration shall be London, England.

(iii) The language of the arbitration shall be English.

(c) **Recourse to courts:** For the purposes of arbitration pursuant to this Clause 11.2 (*Arbitration*), the Issuer and each Beneficiary waive any right of application to determine a preliminary point of law or appeal on a point of law under Sections 45 and 69 of the Arbitration Act 1996.

11.3 Beneficiary's option:

Notwithstanding the agreement described in Clause 11.2 (*Arbitration*) above, any Beneficiary may, in the alternative, and at its sole discretion, by notice in writing to the Issuer:

11.3.1 within 28 days of service of a Request for Arbitration (as defined in the Rules); or

11.3.2 if no arbitration has commenced,

require that a Dispute be heard by a court of law. If a Beneficiary gives such notice, the Dispute to which such notice refers shall be determined in accordance with Clause 11.4 (Jurisdiction) and any arbitration commenced under Clause 11.2 (*Arbitration*) in respect of that Dispute will be terminated. Each of the parties to the terminated arbitration will bear its own cost in relation thereto.

11.4 Jurisdiction

In the event that a Beneficiary issues a notice pursuant to Clause 11.3 (*Beneficiary's option*), the provisions of this Clause 11.4 (*Jurisdiction*) shall apply.

- (a) **English courts:** The courts of England shall have exclusive jurisdiction to settle a Dispute arising from or connected with this Deed of Covenant (including any non-contractual obligation arising out of or in connection with this Deed of Covenant).
- (b) **Appropriate forum:** The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (c) **Process agent:** The Issuer agrees that the documents which start any proceedings relating to a Dispute ("**Proceedings**") and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to T&H Secretarial Services Limited at 3 Bunhill Row, London EC1Y 8YZ or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Beneficiary addressed to the Issuer and delivered to the Issuer appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Beneficiary shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer. Nothing in this paragraph shall affect the right of any Beneficiary to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.
- (d) **Consent to enforcement etc.:** The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings.
- (e) **Waiver of immunity:** To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgement or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim and

irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

12 Modification

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of this Deed of Covenant. Any such modification may be made by supplemental deed poll if sanctioned by an Extraordinary Resolution and shall be binding on all Accountholders.

In witness whereof this Deed of Covenant has been executed by the Issuer and is intended to be and is hereby delivered on the date first before written.

Executed as a deed by

BANK MUSCAT (SAOG)

acting by



T. Ganesh
Chief Financial Officer
Bank Muscat SAOG



K. Mallikarjuna
Global Head - Treasury,
Capital Markets & Financial Institutions
bank muscat SAOG