



SOHAR FREEZONE LLC

GUIDANCE NOTE₀

'From Prospect to Freezone Working Company'

At SOHAR Freezone, we strive to have clear and transparent business processes. This guidance note informs prospective clients what steps will have to be taken (in most cases jointly) to become a client of SOHAR Freezone:

Step 1: Submit a complete Plot Application Form

A good start is half the work. Therefore, submitting a complete and correct Plot Application (including the requested annexes) is very important. We require the PAF for several approvals, our commercial proposal and due diligence. A reference to the PAF is made in the final Land Lease Agreement. We regularly update the PAF format so please make sure that you have the latest version.

Step 2: Agreement on the Commercial terms

Before our One Stop Shop department starts obtaining the required pre-contract clearances, we require an agreement on the commercial terms, basically the land lease price (USD/m²/year) and the contract term. This is to avoid unnecessary deployment of resources with all parties involved.

Step 3: Pre-contract clearances

For all projects come to SOHAR Freezone, we seek an approval from our Environmental Department. Environmental manager will advise if an Environment Impact Assessment (EIA) or Environmental Review(ER) will be required for the project. Process time for this step is two (2) working days.

For large power(more than 2.5 MW) and/or water consumers, we will have to seek principal acceptance from the utility companies. Although SOHAR Freezone has secured large quantities of power and water, we introduce large consumers to the utilities companies in the pre-contract phase. SOHAR Freezone will coordinate the meetings and the subsequent application process until the connection is realized. Eventually, a supply agreement shall be signed between the utilities providers and the Working Company.

Step 4: Due diligence

Due diligence will be performed on the main shareholders/promoters of the proposed Free Zone Vehicle and Company. We look for background, past projects and clients. Requested documents are Passport copies for normal shareholders, CR, an Audited Annual Report for the last three years and financial statements for corporate shareholders. Maximum process time is (10) working days.





Step 5: Plot selection and approval of the Plot Application

Although plot options will have been discussed before, at this stage we require to select the definitive plot size and location. Once selected, our technical department will issue the final plot plan of the plot.

Step 6: Payment of incorporation fees of the Freezone Working Company

At this stage we request payment of the incorporation fees. Please refer to our tariff for these fees in the investor guide. The Land Lease Agreement will be signed between the SOHAR Freezone Authority and the new SOHAR Freezone Working Company. Incorporation of this new company prior to contract execution is therefore a must. Incorporation includes registration with the Ministry of Commerce and Industry (MoCI), membership of the Oman Chamber of Commerce and Industry and the issuance of the Freezone license. Documents required depends on the type of shareholders (corporate/individual). Incorporation's requirement shall be shared by our One Stop Shop Department. On average the incorporation process takes five days, however this depends largely on the preparation of the correct documentation by the client.

Step 7: Signing of the Land Lease Agreement

A draft of the Land Lease Agreement (LLA) will have been circulated in an earlier phase. Normally we will aim to organize a signing event to commemorate this important moment.

However if a joint signing is difficult, the LLA can be signed by circulation. Once signed by both parties, you are officially a SOHAR Freezone Working Company and our One Stop Shop department will take you through the various pre-construction clearances. For this please refer to our guidance note 'From Contract to Groundbreaking'.