

## **Law No. (3) of 2019**

### **Regarding Abu Dhabi Power Corporation**

We, Khalifa bin Zayed Al Nahyan, Ruler of Abu Dhabi.

- Having reviewed Law No. (1) of 1974 on the Reorganization of the Governmental Apparatus in the Emirate of Abu Dhabi and its amendments.
- And Law No. (2) of 1971 Concerning the National Consultative Council and its amendments.
- And Law No. (2) of 1998 Concerning the Regulation of the Water and Electricity Sector in the Emirate of Abu Dhabi and its amendments.
- And Law No. (14) of 2008 Regarding the Abu Dhabi Accountability Authority.
- And Law No. (1) of 2017 Regarding the Financial System of the Abu Dhabi Government.
- And Law No. (2) of 2018 Establishing Abu Dhabi Developmental Holding Company (Public Joint Stock Company).
- And Law No. (11) of 2018 Establishing the Department of Energy.
- And Federal Law No. (2) of 2015 Concerning Commercial Companies and its amendments.
- And the Resolution of the Chairman of the Executive Council No. (26) of 2017 on the formation of the Higher Committee for the Water and Electricity Sector in the Emirate of Abu Dhabi.
- And the Resolution of the Chairman of the Executive Council No. (26) of 2018 Concerning Additional Competencies for the Department of Energy.
- And based on what was presented to the Executive Council, and its approval thereof.
- We have issued the following Law:

## Definitions

### Article (1)

In the application of the provisions of this Law, the following words and phrases shall have the meanings assigned to each of them, unless the context indicates otherwise:

The State	United Arab Emirates.
The Emirate	The Emirate of Abu Dhabi.
The Government	The Government of Abu Dhabi.
The Competent Authority	The Higher Committee for the Water and Electricity Sector in the Emirate of Abu Dhabi formed under the Resolution of the Chairman of the Executive Council No. (26) of 2017 referred to, or any other entity designated by a resolution from the Chairman of the Executive Council.
The Department	Department of Energy.
The Holding Company	Abu Dhabi Developmental Holding Company (Public Joint Stock Company).
The Company	Abu Dhabi Power Corporation.
The Board of Directors	The Company's Board of Directors.
The Subsidiary	Any company in which the majority of shares or stocks are owned, directly or indirectly, by the Company.

### Legal Form of the Company

#### Article (2)

- The legal form of Abu Dhabi Power Corporation shall be amended to become a public joint stock company, and it shall have an independent legal personality and enjoy financial and administrative independence, and full legal capacity to act. The Company may use an abbreviated name for itself as determined by the Board of Directors. The name of the Company, its abbreviated name, and its

legal form may be changed in accordance with the procedures specified in its Articles of Association.

- The Board of Directors shall issue the Articles of Association of the Company and the Subsidiaries wholly owned by the Company and any amendments thereto after the approval of the Competent Authority, without the need for any other approvals or requirements.

## **Ownership of Shares, Stocks, and Assets in the Company**

### **Article (3)**

- The ownership of all shares and stocks in the Company shall be transferred to the Holding Company.
- All movable and immovable properties, real estate, shares, and stocks in companies owned by the Department shall be transferred to the Company, including all powers of the Department related or pertaining to the shares or stocks of any of the Subsidiaries mentioned in any legislation, regulation, or resolution. Also transferred to the Company are all other assets, properties, and funds of the Department of Energy which are specified by a resolution from the Competent Authority.

## **Headquarters of the Company**

### **Article (4)**

The main headquarters of the Company shall be in the city of Abu Dhabi, and the Board of Directors may establish branches, offices, or agencies for it inside and outside the State.

## **Capital of the Company**

### **Article (5)**

- The authorized capital of the Company is set at AED 500,000,000 (five hundred million dirhams), divided into 500,000,000 (five hundred million) shares, with a nominal value of one dirham per share.

- The issued capital is set at AED 100,000,000 (one hundred million dirhams), divided into 100,000,000 (one hundred million) shares, with a nominal value of one dirham per share, all of which are registered and fully paid shares.
- All shares of the Company are fully owned by the Holding Company.
- The Board of Directors may increase or decrease the capital of the Company as specified in the Company's Articles of Association and after obtaining the approval of the Competent Authority.
- The shares of the Company may not be sold, assigned, or mortgaged except by a resolution from the Competent Authority as specified in the Articles of Association.

## **Purposes of the Company**

### **Article (6)**

- The Company and any of its Subsidiaries shall exercise all the competencies specified for them in the aforementioned Law No. (2) of 1998 or the laws, decrees, or resolutions of incorporation of each of the Subsidiaries and any other competencies specified by the Company's Articles of Association or the Articles of Association of any of its Subsidiaries or any licenses, permits, or approvals issued to any of them.
- To achieve its purposes, the Company may carry out all operations and actions required for the proper conduct of its business and the increase of its revenues inside and outside the State, including but not limited to:
  - Owning, leasing, and mortgaging movable and immovable properties, ships, and tankers; borrowing funds, issuing undertakings, guarantees, and sureties; obtaining financial facilities; lending to its Subsidiaries or owned companies; and concluding related contracts.
  - Contributing to and encouraging the support of projects, businesses, and activities that help the Company enhance its position inside and outside the State.
  - Contributing to the financing of projects undertaken by the Company, its Subsidiaries, or other companies, whether as a shareholder, lender, or guarantor, and the Company may own or

- issue debt bonds and sukuk of all kinds as decided by the Board of Directors after the approval of the Competent Authority.
- Establishing wholly-owned companies or in partnership with others.
  - Opening, managing, and closing bank accounts; drawing, accepting, and negotiating negotiable instruments; issuing financial guarantees for Subsidiaries or third parties; concluding loans, financial and credit facilities, and derivatives contracts; and conducting treasury management operations for the funds of the Company and its Subsidiaries.
  - Purchasing and disposing of shares, bonds, and other securities related to the activities of the Company or any of its Subsidiaries for trading, risk management, or any other purposes the Company deems appropriate.
  - Establishing special regulations related to employment, retirement, remunerations, incentives, entitlements, allowances, and bonuses for the employees of the Company and its wholly-owned Subsidiaries, taking into account the legislation related to the retirement of citizens.
  - Contributing to, encouraging, supporting, and providing in-kind and cash grants for projects, businesses, and activities, including non-profit and community projects, activities, and initiatives.
  - Undertaking all legal and judicial procedures, agreeing on reconciliation, settlement, and arbitration, and waiving disputes, arbitration, and mediation procedures.
  - Undertaking all other works related or pertaining to the objectives and activities of the Company or which the Board of Directors considers necessary or essential to enable the Company or any of its Subsidiaries to achieve any of its purposes.

## **Duration of the Company**

### **Article (7)**

The duration of the Company is ninety-nine (99) Gregorian years, which began on the date of its registration in the Commercial Register, and it

shall be automatically renewed for a similar period in accordance with the provisions of the Company's Articles of Association.

## **Board of Directors**

### **Article (8)**

- The Company shall be managed by a Board of Directors of at least five members, including the Chairman. The Company's Articles of Association shall specify the procedures for its meetings and how to vote on its resolutions.
- The existing Board of Directors of the Company on the date of entry into force of the provisions of this Law shall continue to exercise its powers until a resolution is issued by the Competent Authority to reconstitute it.
- The term of membership of the Board of Directors is four years, automatically renewed unless a resolution is issued by the Competent Authority to reconstitute it.

## **Powers of the Board of Directors**

### **Article (9)**

- The Board of Directors is the competent authority for setting the general policy strategy of the Company and its wholly-owned Subsidiaries and for following up on its implementation to achieve its objectives. Unless the Competent Authority decides otherwise, the Board of Directors shall exclusively exercise all the purposes of the Company stated in this Law and in the Company's Articles of Association, and it may, in particular, do the following without the need to obtain any additional approvals from any other entity:
  1. Propose strategic plans for the Company and its wholly-owned Subsidiaries, have them approved by the Competent Authority, and supervise their implementation.
  2. Issue financial and administrative regulations, including human resources, as well as operational regulations and special systems for tender, auction, contract, and procurement procedures for the Company and its wholly-owned Subsidiaries,

in a manner that enables them to achieve their purposes, after their approval by the Competent Authority.

3. Propose the organizational structure of the Company and its Subsidiaries, issue internal regulations and bylaws for the employees and users of the Company and its wholly-owned Subsidiaries, and the regulations concerning all employee affairs, and have them approved by the Competent Authority.
4. Propose the budget of the Company and its Subsidiaries and their final accounts for each fiscal year and submit them to the Competent Authority for approval, in a manner that does not conflict with the listing regulations in the markets to which any of the Subsidiaries are subject.
5. Appoint a Chief Executive Officer for the Company and relieve him of his position.
6. Form boards of directors and appoint directors or chief executive officers for any of the wholly-owned Subsidiaries of the Company. The Board of Directors may entrust the management of any of the wholly-owned Subsidiaries to a committee it forms or to a board of directors, director, or chief executive officer instead of a board of directors for each.
7. Divide, transfer, convert, merge, consolidate, sell, mortgage, and restructure any of the Company's funds, assets, or properties, or the assets, properties, or funds of any of its wholly-owned Subsidiaries, or waive any of them, and dispose of any of them in all legal forms of disposal after their approval by the Competent Authority.
8. Permit the Company and its Subsidiaries to undertake any investment, borrowing, lending, issuance of guarantees, sureties, bonds, sukuk, or any other debt instruments as the Board of Directors deems appropriate in terms of conditions, terms, and the size of any investments, borrowing, bonds, or sukuk, after their approval by the Competent Authority.
9. Acquire and merge companies and establishments and determine the acquisition value after its approval by the Competent Authority.
10. Form permanent and temporary committees from among its members or others and determine their competencies, and it

may delegate some of its competencies to any of these committees.

- The Board of Directors may delegate any of its members, its committees, and whomever it deems appropriate from the employees of the Company, the Subsidiaries, or third parties with any of the powers specified for the Board of Directors in this Law or the Company's Articles of Association and determine the bases and controls for the exercise of these powers.
- The Competent Authority shall form the General Assembly of the Company, and the Board of Directors shall represent the Company in the General Assembly meetings of each of the Subsidiaries.

## **Annual Reports**

### **Article (10)**

The Board of Directors shall submit an annual report at the end of each fiscal year to the Holding Company and the Competent Authority, indicating the companies, assets, properties, projects, and investments that the Company owns or contributes to.

## **Auditor**

### **Article (11)**

The Company shall have one or more auditors from the approved auditors to audit the accounts and financial statements of the Company. A resolution for their appointment shall be issued by the Board of Directors in accordance with the Company's Articles of Association. The resolution issued in this regard shall determine the term of appointment of the auditor and their annual fees.

## **Fiscal Year**

### **Article (12)**

The fiscal year of the Company shall begin on the first of January and end on the 31st of December of each Gregorian year.

## **Financial Resources of the Company**

### **Article (13)**

The financial resources of the Company shall consist of the following:

- Annual or emergency appropriations allocated to it by the Government.
- Returns from the investment of its funds.
- The Company's share in the profits realized by the Subsidiaries.
- Income derived from the services it provides and the activities it practices.
- Any other resources approved by the Board of Directors.

## **Final Provisions**

### **Article (14)**

- None of the provisions of this Law shall prejudice any of the licenses, permits, exemptions, or approvals issued by the federal and local government authorities in the State which the Company and any of its Subsidiaries enjoy on the date of issuance of this Law, and these licenses, permits, exemptions, and approvals shall continue to be valid after the entry into force of the provisions of this Law.
- The transfer of ownership of the assets, properties, real estate, funds, and shares or stocks in the Company and its Subsidiaries from the Department to the Company or the Holding Company in accordance with the provisions of this Law shall not prejudice any of the obligations of the Company or the Subsidiaries under the agreements, contracts, and documents concluded by the Company or any of its Subsidiaries, nor shall it prejudice any of the direct contracts concluded by the Government related to any of the independent producer projects in the State.
- The legislation related to procurement, tenders, auctions, warehouses, and financial systems in force in the Emirate shall not apply to the Company and its wholly-owned Subsidiaries. The Company and its wholly-owned Subsidiaries shall be subject to the supervision of the Competent Authority exclusively.

- The Company may finance its projects and any of the projects of its wholly-owned Subsidiaries in accordance with the regulations, bylaws, and instructions specified by a resolution from the Competent Authority based on the recommendation of the Board of Directors.
- The distribution of profits realized by the Company or any of its wholly-owned Subsidiaries shall be in accordance with what is determined by the Competent Authority based on the recommendation of the Board of Directors.

## **Local Taxes and Fees**

### **Article (15)**

The Company and its wholly-owned Subsidiaries are exempt from all local taxes and fees.

## **Enforcement and Publication**

### **Article (16)**

This Law shall be enforced from the date of its issuance and shall be published in the Official Gazette.

**Khalifa bin Zayed Al Nahyan**

**Ruler of Abu Dhabi**

Issued by us in Abu Dhabi

On: 10 - January - 2019 AD

Corresponding to: 04 - Jumada al-Awwal - 1440 H