



**Abu Dhabi National Energy Company PJSC**

**“TAQA”**

**Corporate Governance Report for the year ended**

**31 December 2020**



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## **Introduction**

This corporate governance report (the “**Report**”) contains a detailed account of the compliance of Abu Dhabi National Energy Company PJSC (hereinafter referred to as the “**Company**”, “**TAQA**” or the “**Group**”) with the corporate governance requirements and regulations of the Securities and Commodities Authority (hereinafter referred to as the “**Authority**” or “**SCA**”) as per the Chairman of the Authority's Board of Directors' Resolution No. (3/R.M) of 2020 (hereinafter referred to as the “**Chairman of the Authority's Board of Directors' Resolution**”).

This Report also outlines the overall corporate governance structure of the Company for the period from 1 January 2020 to 31 December 2020.

### **First: Actions taken by the Company to accomplish the corporate governance requirements in 2020 and methods of implementation**

The Company's corporate governance policy is based on the principles of transparency, fair disclosure, financial supervision and accountability. The Company believes these principles to be essential elements for establishing a successful governance framework and laying down the foundations and methodologies for the Company's business activities to achieve its goals in line with the interest of its clients, shareholders and employees.

Accordingly, the Company's policies and business practices comply with the requirements stipulated by the legislation of the United Arab Emirates regarding corporate governance, including Federal Law No. 2 of 2015 on Commercial Companies and the Chairman of the Authority's Board of Directors' Resolution, which applies to TAQA as a publicly listed company on the Abu Dhabi Securities Exchange (ADX).

The Company's Board of Directors (hereinafter referred to as the “**Board**”) collectively takes an independent and objective view with regard to the following:

- Setting the Company's strategy and business principles;
- Supervising the Company's executive management;
- Supervising the adequacy of the human resources required to implement the Company's strategies;
- Supervising the adequacy and effectiveness of internal controls and corporate governance;
- Approving investments, business plans, budgets and financial statements of the Company; and
- Ensuring that shareholders receive accurate, timely and appropriate information.

The Executive Management of the Company implements the Company's strategy and manages its daily affairs in accordance with the strategic plans and budgets approved by the Board.

The Company has also taken additional procedures for internal controls to enhance corporate governance at the Company through the following committees and departments:

- Audit Committee (Board level)
- Nomination and Remuneration Committee (Board level)
- Strategy and Investment Committee (Board level)
- Executive Management Committee (Executive Management level)
- Investment Committee (Executive Management level)
- Health, Safety, Security and Environment Committee (Executive Management level)



- Insider Trading Supervision Committee (Executive Management level)
- Risk and Internal Audit Department
- Legal and Ethics & Compliance Department

**Second: Ownership and transactions of members of the Board, their spouses and children in the Company's securities during 2020**

Transactions by members of the Board in the Company's securities are governed by Article 14 of the Authority's Board of Directors' Decision No. (2) of 2001 (**2001 Decision**) concerning the regulations as to trading, clearing, settlement, transfer of ownership and custody of securities. Accordingly, the Chairman and other members of the Board, and any of the Company's employees who have the knowledge of material information of the Company, shall not deal by themselves or for their accounts through others or for others in any other capacity, in the securities of the Company, or any parent, subsidiary, sister or affiliate company of the Company, during the following periods:

- Ten (10) working days prior to the announcement of any material information, unless the information was a result of sudden unforeseen circumstances.
- Fifteen (15) working days prior to the end of the financial quarterly, semi-annual or annual period until the disclosure of the financial statements.

The provisions of the law shall be observed when any of the above-mentioned persons trade for themselves or through others in the securities of the Company or the securities of the parent company, subsidiaries, affiliates or sister companies, and any transaction to the contrary shall be null and void. In addition, the Company has a group-wide Insider Trading Policy that is applicable to directors and employees. The policy imposes restrictions on insider trading in line with the 2001 Decision as well as the Federal Law No. 4 of 2000 Concerning the Authority and Market.

Members of the Board are required to comply with the disclosure requirements established in accordance with the provisions of the rules, regulations and decisions issued in respect of their transactions in securities.

The following table shows the shares of the Company held by the members of the Board, noting that there were no other transactions by the members of the Board, their spouses and children in the Company's shares during 2020.

Directors	Position	Membership period (since)	Shares held (as of 31/12/2020)	Total sale transactions	Total purchase transactions
H.E. Mohamed Hassan Alsuwaidi	Chairman of the Board	August 2019	0	0	0
Mr. Saeed Mubarak Alhajeri	Vice Chairman of the Board	April 2011	0	0	0
H.E. Saif Mohamed AlHajeri**	Board Member	April 2020	0	387,148	386,649



Directors	Position	Membership period (since)	Shares held (as of 31/12/2020)	Total sale transactions	Total purchase transactions
Mr. Salem Sultan Aldhaheri	Board Member	April 2011	4,476	0	0
Mr. Khaled Abdulla Almass	Board Member	April 2014	0	0	0
Mr. Khalifa Sultan Alsuwaidi**	Board Member	April 2020	0	0	0
Mr. Jasim Husain Thabet	Board Member	August 2019	0	0	0
Mr. Khaleefa Ali Al Qamzi*	Board Member	April 2017	0	19,492	0
Dr. Jacob Barend Kalkman*	Board Member	August 2019	0	0	0

\* Member of the Board until 29 April 2020

\*\* Member of the Board starting 29 April 2020

### **Third: Composition of the Board of Directors**

#### **3/a      Composition of the current Board of Directors**

The Company's Articles of Association stipulate that the Company be managed by a Board of Directors consisting of seven members. The first Board was appointed by virtue of ADWEA's Resolution No. 179 of 2005. The current Board was elected at the Annual General Assembly ("AGA") held on 29 April 2020. During that AGA, five members were re-elected, and two new members were elected. H.E. Mohamed Hassan Alsuwaidi was appointed as the Chairman and Mr. Saeed Mubarak Al Hajeri as the Vice Chairman of the Board on 29 April 2020. With effect from 1 July 2020, Mr. Mohammad Adnan Sharafi, was appointed as Secretary of the Board. The term of two Board members came to a natural completion (Mr. Khaleefa Ali Al Qamzi and Dr. Jacob Barend Kalkman) on 29 April 2020. All Directors as tabulated below were elected during the AGA for a term of three (3) years.

The following table shows the composition of the members of the Board during 2020 as well as the duration for which they have held the membership up to 31 December 2020 from the date they were elected by the relevant general assembly.



Directors	Positions	Membership status	Board Membership period (as of 31 December 2020)
H.E. Mohamed Hassan Alsuwaidi*	Chairman of the Board	Non-executive, independent	August 2019 (1 year, 4 months)
Mr. Saeed Mubarak Alhajeri**	Vice Chairman of the Board	Non-executive	April 2011 (9 years, 8 months)
H.E. Saif Mohamed Alhajeri***	Board member	Non-executive, independent	April 2020 (8 months)
Mr. Salem Sultan Aldhaheri	Board member	Non-executive	April 2011 (9 years, 8 months)
Mr. Khaled Abdulla Almass	Board member	Non-executive, independent	April 2014 (6 years, 8 months)
Mr. Khalifa Sultan Alsuwaidi****	Board member	Non-executive, independent	April 2020 (8 months)
Mr. Jasim Husain Thabet*****	Board member	Executive	August 2019 (1 year, 8 months)
Mr. Khaleefa Ali Al Qamzi##	Board member	Non-executive, independent	April 2017 (2 years 8 months)
Dr. Jacob Barend Kalkman##	Board member	Non-executive, independent	August 2019 (4 months)

\* Designated as Chairman of the Board with effect from 29 April 2020

\*\* Designated as Vice Chairman of the Board with effect from 29 April 2020

\*\*\*Member of the Board with effect from 29 April 2020

\*\*\*\* Designated as Group Chief Executive Officer and Managing Director with effect from 1 July 2020

## Member of the Board until 29 April 2020

The following table outlines Board members' experience and qualifications:

Name	Academic qualifications	Field of expertise	Positions and memberships
H.E. Mohamed Hassan Alsuwaidi**	Bachelor's degree in Accounting, UAE University.	Managing investments in infrastructure, utilities and other sectors.	- CEO of Abu Dhabi Developmental Holding Company (ADQ). - Chairman of Emirates Water and Electricity Company (EWEC). - Vice Chairman of the Abu Dhabi Power Corporation (AD Power).

			<ul style="list-style-type: none"> <li>- Board member:</li> <li>- Emirates Global Aluminum (EGA);</li> <li>- Emirates Nuclear Energy Corporation (ENEC); and</li> <li>- Abu Dhabi Retirement Pensions &amp; Benefits Fund.</li> </ul>
Mr. Saeed Mubarak Alhajeri	<ul style="list-style-type: none"> <li>- Bachelor's degree in Business Administration, Lewis &amp; Clark College, USA.</li> <li>- Certified Financial Analyst.</li> </ul>	Business Administration	<ul style="list-style-type: none"> <li>- Executive Director at Abu Dhabi Investment Authority (ADIA).</li> <li>- Vice Chairman of the Board of Islamic Arab Insurance Co. (Salama).</li> </ul>
H.E. Saif Mohamed Alhajeri**	<ul style="list-style-type: none"> <li>- Bachelor's degree in Business Administration and Economics, Lewis &amp; Clark College, USA.</li> </ul>	Business administration	<ul style="list-style-type: none"> <li>- Chairman of AD Power.</li> </ul>
Mr. Salem Sultan Aldhaheri	<ul style="list-style-type: none"> <li>- Bachelor's degree in Accounting, Metropolitan State College, Denver, USA.</li> <li>- Certified Public Accountant.</li> </ul>	Accounting	<ul style="list-style-type: none"> <li>- Deputy Director, Internal Audit Department, Abu Dhabi Investment Authority (ADIA).</li> <li>- Board member of Al Etihad Credit Bureau.</li> <li>- Member of the Audit Committee: <ul style="list-style-type: none"> <li>- Abu Dhabi Retirement Pensions &amp; Benefits Fund;</li> <li>- Abu Dhabi National Oil Company (ADNOC);</li> <li>- Emirates Investment Authority (EIA);</li> <li>- Emirates Telecommunications Group Company (Etisalat); and</li> <li>- General Pension and Social Security Authority (GPSSA).</li> </ul> </li> </ul>
Mr. Khaled Abdulla Almass	<ul style="list-style-type: none"> <li>- Bachelor's degree in Business Administration, University of Marylhurst, Oregon, USA.</li> </ul>	Business Administration	<ul style="list-style-type: none"> <li>- Chairman of the board and owner of iMass Investments.</li> <li>- Chairman of the board of iTech Management Consultancy (iTech).</li> <li>- Non-Executive and Independent board member of Abu Dhabi Health Services Company (SEHA).</li> <li>- Non-Executive and Independent board member of Advanced Cure Diagnostic Centers.</li> </ul>

			<ul style="list-style-type: none"> <li>- Non-Executive and Independent board member of CAPM Investing (CAPM).</li> </ul>
Mr. Khalifa Sultan Alsuwaidi	<ul style="list-style-type: none"> <li>- Bachelor's degree in Business, California State University, USA</li> <li>- Executive MBA, Zayed University, UAE.</li> </ul>	Business Administration	<ul style="list-style-type: none"> <li>- Chief Investment Officer at ADQ.</li> <li>- Chairman of Senaat General Holding Corporation (SENAAT).</li> <li>- Chairman of Agthia Group PJSC (Agthia).</li> <li>- Chairman of National Petroleum Construction Company (NPCC).</li> <li>- Chairman of Al Foah Company LLC (Al Foah).</li> <li>- Board member of AD Power.</li> <li>- Board member of EWEC.</li> </ul>
Mr. Jasim Husain Thabet**	<ul style="list-style-type: none"> <li>- Bachelor's degree in Mechanical Engineering from St. Martin University, USA.</li> </ul>	Utilities and infrastructure	<ul style="list-style-type: none"> <li>- Board member and member of Human Resource Committee of EWEC.</li> <li>- Board member and member of Nominations and Remunerations Committee of Abu Dhabi Ports (AD Ports).</li> <li>- Board member of AD Power</li> </ul>
Mr. Khaleefa Ali Al Qamzi	<ul style="list-style-type: none"> <li>- Executive Master of Business Administration (EMBA), Zayed University.</li> </ul>	Business Administration	<ul style="list-style-type: none"> <li>- Director of Evaluation and Follow-up Department of ADIA.</li> <li>- Board member: <ul style="list-style-type: none"> <li>- Abu Dhabi Securities Exchange (ADX).</li> <li>- Arabtec Holding PJSC (Arabtec).</li> <li>- Insurance Authority</li> </ul> </li> <li>- Chairman of the Investment Committee at Zayed Bin Sultan Al Nahyan Foundation for Charitable and Humanitarian Activities.</li> </ul>



Dr. Jacob Barend Kalkman**	<ul style="list-style-type: none"><li>- Masters and PhD in Physics and Mathematics, University of Utrecht, Netherlands.</li><li>- Postdoctoral Researcher, Massachusetts Institute of Technology (MIT), USA.</li></ul>	Oil and gas, utilities and infrastructure	<ul style="list-style-type: none"><li>- Chief Investment Officer at ADQ.</li><li>- Board member:<ul style="list-style-type: none"><li>- SENAAT</li><li>- First Energy Bank</li><li>- SEHA</li></ul></li></ul>
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\* Member of the Board until 29 April 2020

\*\* Member of the Board starting 29 April 2020

The Board has access to industry experts who act as independent advisors to the Board on business strategy, corporate governance, adopting best management practices and providing industry insights, amongst others.

Details of these advisors appear below:

Board Advisor	Academic qualifications	Field of expertise	Positions and Memberships as known to the Company
Mr. Christopher Geoffrey Finlayson	Bachelor's degree in Physics and Geology from University of Manchester, UK.	Oil and Gas	<ul style="list-style-type: none"><li>- Former CEO of BG Group and previously responsible for BG Advance, including the exploration team, the Group's major capital projects programme, contracts and procurement, and technology.</li></ul>
Dr. Klaus-Dieter Maubach	Ph.D. in Electrical Engineering from University of Wuppertal, Germany.	Energy and utilities	<ul style="list-style-type: none"><li>- Leadership roles at E.ON, Avacon and Encavis.</li><li>- Member of supervisory boards at Uniper, ABB Deutschland and Fortum amongst others.</li><li>- Lecturer at Clausthal University of Technology.</li></ul>

### 3/b Representation of Women in the Board of Directors in 2020

There are no female members appointed to the current Board.

### 3/c Reasons as to why no women were nominated for the membership of the Board of Directors

No women were nominated or submitted an application for being considered for membership of the Board during the nomination period in 2020.



**3/d A statement of the following:**

**3/d/1 Total remuneration paid to members of the Board of Directors for the year 2020**

The remuneration of members of the Board is determined as per Article 29 of the Articles of Association of the Company which provides for the payment of a lump sum amount to each member on the recommendation of the Board and the approval by the shareholders at an AGA. The Company may also pay additional expenses, fees or a monthly salary in such amount as may be determined by the Board for any member of the Board appointed to any committee, making special efforts or performing additional work for the Company beyond the duties assigned to them by virtue of their membership of the Company's Board. The total remuneration paid to the Members of the Board for the year ended 31 December 2019 was AED 4,410,000 (inclusive of VAT).

**3/d/2 Total remuneration proposed to be paid to the members of the Board of Directors for the year 2020, which shall be presented at the AGA for approval.**

The recommendation for remuneration of Board members will be presented for shareholders' approval at the AGA which is currently scheduled to be held on Thursday, 18 March 2021 for the financial year ended 31 December 2020. Members of the Board have endorsed the proposal to pay a total of AED 10,102,266 (inclusive of VAT) as Board and Board committee fees for financial year 2020. Board committee fees are detailed in the following section.

**3/d/3 Details of allowances for attending meetings of Board committees which were paid to Board members for the fiscal year 2020**

Members of the Board (excluding executive members) have received additional allowances for discharging their duties as members of the different committees (Audit Committee, Nomination and Remuneration Committee and Strategy and Investment Committee) as shown in the following table. Allowances for committee members are capped at a maximum of twelve (12) committee meetings per year.

[This section is deliberately left blank]



Name	Additional allowances paid to members of the Board Committees		
	Committee name	Allowance** (AED)	No. of meetings
H.E. Mohamed Hassan Alsuwaidi	AC	25,200	2
Mr. Salem Sultan Aldhaheri	N&R/AC	138,600	3/8
Mr. Saeed Mubarak Alhajeri	N&R	37,800	3
H.E. Saif Mohamed Alhajeri#	N&R	37,800	3
Mr. Khaled Abdulla Almass	AC/SIC	151,200	8/10
Mr. Khalifa Sultan Alsuwaidi#	N&R/AC/SIC	151,200	3/7/8
Mr. Jasim Husain Thabet	N&R/SIC	63,000##	3/2
Mr. Khaleefa Ali Al Qamzi *	SIC	25,200	2
Dr. Jacob Barend Kalkman*	N&R	37,800	3

\* Member of the Board until 29 April 2020 (new Board members appointed in AGA on 29 April 2020)

\*\* Allowances of members of the Board Committees are pending the approval of the AGA which is scheduled to be held on Monday, 18 March 2021

# Member of the Board starting 29 April 2020

## Allowance for meetings attended as a non-executive and independent member of the Board

N&R - Nomination and Remuneration Committee

AC - Audit Committee

SIC - Strategy and Investment Committee



**3/d/4 Details of allowances, salaries, or additional fees that have been paid to members of the Board in addition to the fees for attending Board committee meetings**

No amount, other than the amounts set out in section 3/d/3, is proposed to be paid to the members of the Board.

**3/e Board meetings held during the 2020, their dates and personal attendance by members of the Board**

The Board held ten (10) meetings during 2020 as shown in the following table. None of the members attended any of the meetings by proxy:

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No	Date of Board meeting	H.E. Mohamed Hassan Alsuwaidi	Mr. Saeed Mubarak Alhajeri	H.E. Saif Mohamed Alhajeri *	Mr. Salem Sultan Alhaheri	Mr. Khaled Abdulla Almass	Mr. Khalifa Sultan Alsuwaidi*	Mr. Jasim Husain Thabet	Dr. Jacob Barend Kalkman**	Mr. Khaleefa Ali Al Qamzi**
1	05 Feb 2020	P	P		P	P		P	P	NP
2	18 Mar 2020	P	P		P	P		P	P	P
3	06 Apr 2020	NP	P		P	P		NP	NP	P
4	29 Apr 2020	P	P	P	P	P	P	P		
5	10 May 2020	P	P	P	P	P	P	P		
6	18 May 2020	P	P	P	P	P	P	P		
7	28 June 2020	P	P	P	P	P	P	P		
8	12 Aug 2020	P	P	P	P	P	P	P		
9	09 Nov 2020	P	P	P	P	P	P	P		
10	13 Dec 2020	P	P	P	P	P	P	P		
Meetings attended		09/10	10/10	7/10	10/10	10/10	7/10	9/10	2/10	2/10

P: Present; NP: Not present

Meeting no. 2 to 10 were convened and attended by members of the Board via teleconference

\* Member of the Board starting 29 April 2020.

\*\* Member of the Board until 29 April 2020.



**3/f Tasks and functions of the Executive Management authorized by the Board of Directors**

The Board of Directors had in their meeting held on 12 August 2020 confirmed their approval of the Group Policy on the Delegation of Authority (the “Policy”). In accordance with the Articles of Association of the Company, the Board can delegate its powers to a Board Committee and the management of the Company.

The Policy sets out a comprehensive matrix of authorities, namely, the authorities of the Company’s shareholders, the Board and the authorities delegated by the Board to the Board committees and the management of the members of the Company’s Group to run the administration and the affairs of the Company’s Group.

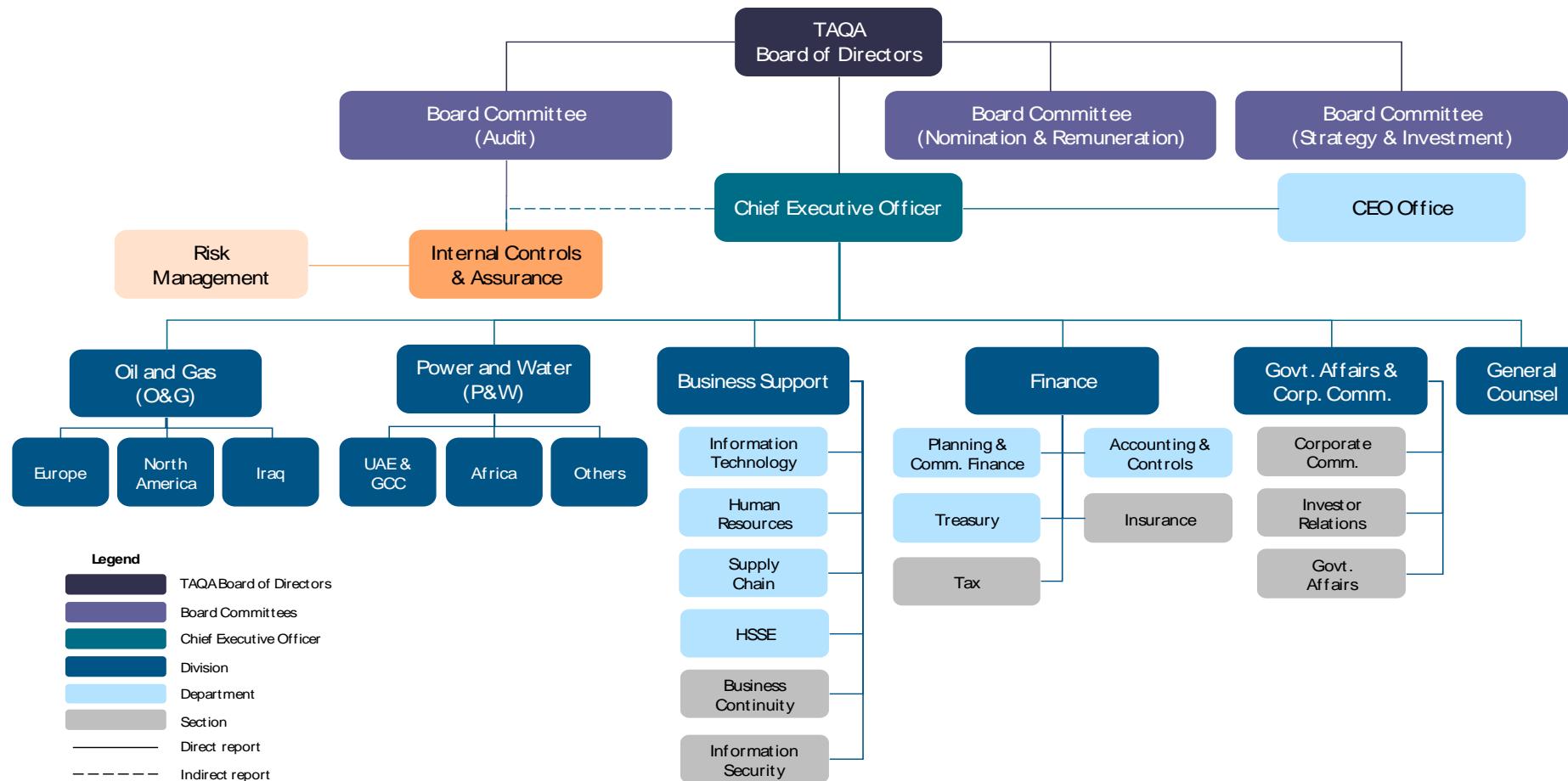
The Policy empowers the management to take decisions and enter into transactions within the clear boundaries set out in this Policy and is intended to achieve simplified internal control and communication by providing a common delegation of authority across the Company’s Group.

**3/g Details of transactions made with the related parties (stakeholders), during 2020 indicating the related parties and the nature of relationship, type and size of transaction during the year for each of these parties**

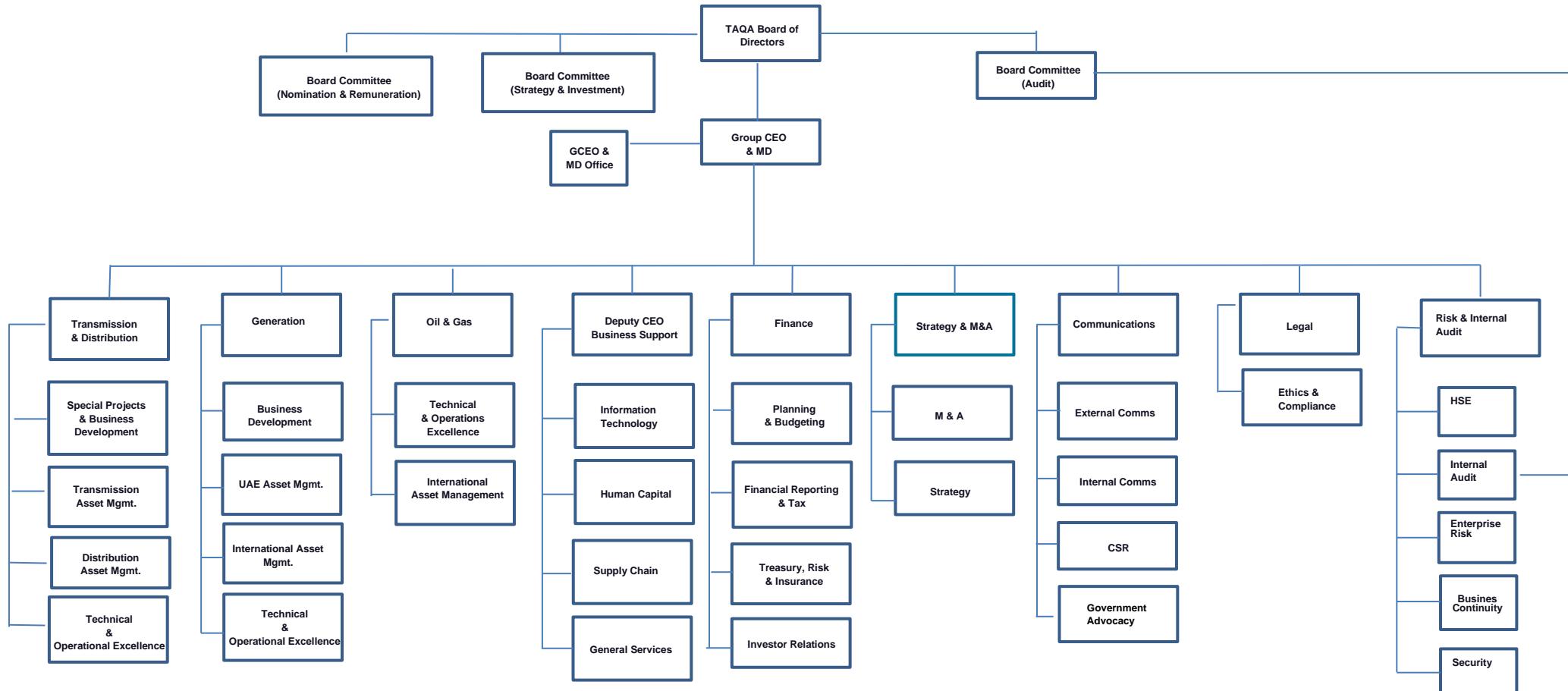
The Company has not entered into any related party transactions (as defined in the Chairman of the Authority's Board of Directors' Resolution) during the year 2020.

**3/h The organizational structure of the Company as of 31/12/2020**

1 January 2020 - 30 June 2020



1 July 2020 - 31 December 2020





**3/i Detailed statement of senior executive staff, their positions and appointment dates, total salaries, allowances and benefits paid thereto**

**Senior Executive Staff During 1 January 2020 – 30 June 2020**

Name	Position	Date of appointment	Total salaries and allowances paid in 2020 (AED)	Any other cash/in-kind benefits for 2020 or payable in the future
Mr. Saeed Aldhaheri	Chief Executive Officer	1 May 2016	2,618,750*	2,712,985
Mr. Mohammed Al Ahbabi	Chief Financial Officer	10 May 2016	1,257,300	677,952
Mr. Awad Al Ketbi	Executive Vice President Business Support	10 May 2016	1,227,200	667,920
Mr. Saeed Al Darei	Executive Vice President Government Affairs and Corporate Communications and Board Secretary	10 May 2016	1,107,566	748,841
Mr. Vivek Gambhir	General Counsel	1 October 2015	874,943	818,643
Mr. Wael Nabulsi	Group Vice President of Internal Controls and Assurance	1 September 2015	730,775	565,862

\*Salary amount includes the total salary paid for the position of Chief Executive Officer and Deputy Chief Executive Officer and Chief Human Capital and Corporate Support Officer during the year 2020 (for the period from 1 January 2020 till 31 October 2020)

**Senior Executive Staff During 1 July 2020 – 31 December 2020**



Name	Position	Date of appointment	Total salaries and allowances paid in 2020 (AED)	Any other cash/in-kind benefits for 2020 or payable in the future
Mr. Jasim Husain Thabet	Group Chief Executive Officer and MD	01 July 2020	1,531,200	3,296,800
Mr. Saeed Aldhaheri*	Deputy Chief Executive Officer and Chief Human Capital and Corporate Support Officer	01 July 2020	As set out in the above table	
Mr. Stephen Ridlington	Chief Financial Officer	01 July 2020	1,074,000	1,790,000
Mr. Mohammad Adnan Sharafi	Chief Legal Officer and Board Secretary	01 July 2020	947,370	1,573,550
Mr. Stephen Wackerle	Chief Risk and Internal Audit Officer	01 July 2020	750,000	544,521
Mr. Franco Polo	Executive Director, Oil and Gas	01 July 2020	1,206,500	419,145
Mr. Farid Al Awlaqi	Executive Director, Generation	01 July 2020	960,700	386,423
Mr. Omar Al Hashmi	Executive Director, Transmission and Distribution	01 July 2020	1,012,800	1,181,600
Mr. Noel Aoun	Acting Chief of Strategy and Mergers and Acquisitions Officer (M&A)	01 July 2020	539,688	488,794
Mr. Sean McCarthy	Acting Chief Communications Officer	01 July 2020	540,000	450,000



\* Held position until 31 October 2020

#### **Fourth: External Auditor**

The External Auditor is appointed, and its remuneration determined, by the AGA of the Company pursuant to Article 70 of the Chairman of Authority's Board of Directors' Resolution. The Board nominates an external auditor based on the recommendation of the Audit Committee. Based on the recommendation of the Audit Committee and nomination of the Board, the shareholders appointed, at the AGA held on 29 April 2020, Ernst & Young Middle East (Abu Dhabi) as the external auditor of the Company for the period from 1 January 2020 until 30 June 2020 and Deloitte & Touche (M.E) as the external auditor of the Company for the period from 1 July 2020 until 31 December 2020.

##### **4/a Brief about the Company's external auditor**

###### **For period 1 January 2020 until 30 June 2020**

Ernst & Young ("EY") are one of the world's largest accounting and auditing firms with offices in 170 countries. EY offers a wide range of services including auditing, consulting, international tax systems, business risk assessment services, internal audit and business services related to technological and security risks.

###### **For period from 1 July 2020 until 31 December 2020**

Deloitte & Touche (M.E.) ("Deloitte") is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax advisory and related services, with a network of member firms in more than 150 countries and territories.

##### **4/b Statement of the Fees or costs for auditing or the services provided by the External Auditor in addition to the years spent as the Company's External Auditor.**

<b>Name of audit firm for the period (1 January 2020 – 30 June 2020)</b>	<b>Ernst &amp; Young</b>
<b>Name of Partner auditor</b>	<b>Anthony O'Sullivan</b>
Number of years served by the audit partner in auditing the Company	7 years
Number of years served by the audit firm as an external auditor for the Company	14.5 years
Total fees for auditing and reviewing (interim and annual) of financial statements of 2020	AED 565,000 broken up as follows: <ul style="list-style-type: none"><li>• Q1 review: AED 282,500</li><li>• Q2 review: AED 282,500</li></ul>
<b>Other services than the audit and reviewing (interim and annual) of financial statements*</b>	

1- Finance advisory.	Total amount of AED 8,484,630 broken up as follows: <ul style="list-style-type: none"><li>• AED 5,586,633</li></ul>
2- Valuation advisory.	<ul style="list-style-type: none"><li>• AED 2,897,997</li></ul>
<b>Name of audit firm for the period (1 July 2020 – 31 December 2020)</b>	<b>Deloitte &amp; Touche (M.E.)</b>
<b>Name of Partner auditor</b>	<b>AlKowatly, Obada</b>
Number of years served by the audit partner as an external auditor for the Company	6 months
Number of years served by the audit firm as an external auditor for the Company	6 months
Total fees for auditing the financial statements of 2020	AED 1,721,000 broken up as follows: <ul style="list-style-type: none"><li>• Annual year end audit: AED 1,041,000</li><li>• Quarterly reviews: AED 680,000 (this is for Q3 review only. Q1 and Q2 were reviewed by EY, as explained in point 4B).</li></ul>
<b>Others</b>	
Fees and costs of special services other than auditing and reviewing the financial statements for 2020	AED 3,305,000
Non-recurring audit services in relation to transactional related items and special purpose/proforma financial statements.  Details and nature of other services provided by Deloitte includes auditing of:  1. Purchase price allocation; 2. Proforma financial statements; and 3. Al Maqam special purpose financial statements.	<ul style="list-style-type: none"><li>• Audit of purchase price allocation: AED 1,322,000</li><li>• Audit of 2020 proforma financial statements: AED 429,000</li><li>• Audit of Al Maqam special purpose financial statements: AED 1,554,000</li></ul>



A statement of other services performed by auditing firms other than EY and Deloitte in 2020	PwC: 1- VAT advisory. 2- Finance advisory.  KPMG: 1- Tax advisory.
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\*Most of the other services than the audit and reviewing (interim and annual) of financial statements were provided by EY post completion of the audit and reviewing of the financial statements for the period from 1 January 2020 to 30 June 2020

**4/c Reservations made by the Company's external auditor on the interim and annual financial statements for 2020.**

None.

**Fifth: Audit Committee**

**5/a Chairman of the Audit Committee's acknowledgement of responsibility for the committee charter in the Company, review of its work mechanism and ensuring its effectiveness**

**For period from 1 January 2020 until 29 April 2020**

H.E. Mohamed Hassan Alsuwaidi, Chairman of the Audit Committee, acknowledges his responsibility for the implementing the Audit Committee's charter in the Company, reviewing of its work mechanism and ensuring its effectiveness.

**For period from 29 April 2020 onwards**

Mr. Salem Sultan Al Dhaheri, Chairman of the Audit Committee, acknowledges his responsibility for the implementing the Audit Committee's charter in the Company, reviewing of its work mechanism and ensuring its effectiveness.

**5/b Names of members of the Audit Committee and its functions and duties.**

The members of the Audit Committee were appointed by the Board at the meeting held on 27 August 2019. The membership of the Committee was subsequently revised by the Board of Directors during the Board meeting held on 29 April 2020. The members of the Audit Committee during 2020 were:

<b>Audit Committee (1 January 2020 – 29 April 2020)</b>	<b>Audit Committee (29 April 2020 onwards)</b>
H.E. Mohamed Hassan Alsuwaidi* (Chairman) Non-executive, independent member	Mr. Salem Sultan Aldhaheri (Chairman)*** Non-executive
Mr. Salem Sultan Aldhaheri Non-executive, independent member	Mr. Khaled Abdulla Almass Non-executive, independent member



Mr. Khaled Abdulla Almass Non-executive, independent member	Mr. Khalifa Sultan Alsuwaidi** Non-executive, independent member
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\* Member of the Committee until 29 April 2020

\*\*Member of the Committee starting 29 April 2020

\*\*\*Mr. Salem Sultan Aldhaheri has been replaced as the Chairman of the Audit Committee by Mr. Khaled Abdulla Almass, who is a non-executive, independent member of the Board of Directors.

The main duties of the Audit Committee are monitoring the integrity of the Company's financial statements and reports (annual reports, semi-annual reports, and quarterly reports) and reviewing the financial and accounting policies and procedures of the Company, as well as ensuring the independence of the Company's external auditor.

It is also responsible for evaluating the integrity and quality of the Company's internal control policies and all the duties mentioned in Article 61 of the Chairman of the Authority's Board of Directors' Resolution.

The Committee holds its meetings at least once every three months and when needed. All members of the Audit Committee sign the minutes of the meetings of the Audit Committee. The Company also provides the Committee with the necessary and sufficient resources to perform its duties, including the use of experts, whenever necessary.

The Audit Committee was formed by virtue of the approval of the Board at its meeting on 30 October 2007. The Committee's charter was adopted on 9 December 2007 and a revised charter was approved by the Board at its meeting held on 11 December 2019.

**Main duties of the Audit Committee:**

1. Reviewing the financial and accounting policies and procedures of the Company.
2. Monitoring the integrity of the Company's financial statements and reports (annual, semi-annual and quarterly) and reviewing them as part of its normal business during the year, with particular focus on:
  - a. Any changes in the accounting policies and practices;
  - b. Highlighting the areas that are subject to management's discretion;
  - c. Material revisions resulting from the audit;
  - d. Going concern assumption of the Company;
  - e. Compliance with the accounting standards determined by the Authority; and
  - f. Compliance with the rules of listing, disclosure and other legal requirements related to the preparation of financial reports.
3. Coordinating with the Company's Board, Senior Executive Management, Chief Financial Officer or the Manager performing those duties in the Company in order for the committee to fulfill its duties.
4. Considering any significant and unusual items that are or should be included in such reports and accounts and giving due consideration to any matters raised by the Company's Chief Financial Officer, the incumbent manager, the compliance officer or the auditor.



5. Putting forward recommendations to the Board on the selection, resignation or dismissal of the auditor. If the Board rejects the recommendations of the Audit Committee, the Board shall include in its Report a statement explaining the recommendations of the Audit Committee and the reasons why the Board rejected them.
6. Developing and implementing the auditor engagement framework, reporting such issues as it may consider important to the Board for action and recommending the steps to be taken.
7. Ensuring that the auditor complies with applicable laws, regulations, decisions and the Company's Articles of Association as well as following up and monitoring its independence.
8. Meeting with the auditor of the Company without the presence of any of the senior executive management members or their representatives, at least once a year, and discussing the nature and scope of the audit and its effectiveness in accordance with the approved auditing standards.
9. Reviewing all matters relating to the auditor's work, work plan, correspondence with the Company, their observations, suggestions and reservations, and any material questions raised by the auditor to senior executive management regarding accounting records, financial accounts or control systems and following up on responses by the Company's management and providing the necessary facilitations for the auditor's work.
10. Ensuring that the Board responds in a timely manner to the inquiries and material issues raised in the auditor's letter.
11. Reviewing and evaluating the Company's internal control and risk management systems.
12. Discussing the Company's internal controls with the Board and ensuring that it fulfills its purpose of establishing an effective internal control system.
13. Review the results of major investigations into internal control issues assigned to the Board or initiated by the Committee with the consent of the Board.
14. Reviewing the auditor's evaluation of internal control procedures and ensuring that there is coordination between the internal and external auditors.
15. Ensuring that the resources are available for the Internal Control Department and reviewing and monitoring the effectiveness of the Department.
16. Examining internal control reports and following up on the implementation of corrective measures addressing the observations contained therein.
17. Establishing the controls that empower employees of the Company to confidentially report any potential irregularities in financial reports, internal controls or other matters and establishing the necessary procedures to conduct independent and fair investigations into any such reported irregularities.
18. Monitoring the Company's compliance with the Code of Business Ethics.
19. Reviewing the Company's related party transactions, ensuring that there is no conflict of interest and reporting the relevant recommendations to the Board before the transactions are executed.



20. Ensuring implementation of the Committee's rules of work and powers vested in it by the Board.
21. Submitting reports and recommendations to the Board on the above issues mentioned in this article.
22. Considering any other matters as may be determined by the Board.

**5/c The Audit Committee held the following meetings during 2020**

No.	Date	Main items discussed by the Committee
1	2 February 2020	<ul style="list-style-type: none"><li>- 2019 preliminary financial results</li><li>- Annual self-assessment of the Committee</li><li>- 2019 Audit Committee report</li><li>- Internal audit update</li><li>- Compliance update</li></ul>
2	15 March 2020	<ul style="list-style-type: none"><li>- 2019 Financial results and statements</li><li>- Appointment of 2020 external auditors</li><li>- Internal audit update</li><li>- Enterprise risk management update</li><li>- Compliance update</li></ul>
3	14 May 2020	<ul style="list-style-type: none"><li>- Q1 2020 financial results update</li><li>- Recapitalization of subsidiaries</li><li>- Internal audit update</li></ul>
4	24 June 2020	<ul style="list-style-type: none"><li>- Q1 2020 financial results and statements*</li></ul>
5	30 June 2020	<ul style="list-style-type: none"><li>- Bank accounts mandate update</li></ul>
6	13 July 2020	<ul style="list-style-type: none"><li>- Delegation of authority policy update</li></ul>
7	9 August 2020	<ul style="list-style-type: none"><li>- Q2 2020 financial results and statements</li><li>- 2020 external audit plan</li><li>- Internal audit update</li><li>- Compliance update</li></ul>
8	25 October 2020	<ul style="list-style-type: none"><li>- Q3 2020 financial results update</li></ul>
9	8 November 2020	<ul style="list-style-type: none"><li>- Q3 2020 financial results and statements</li><li>- Internal audit update</li><li>- Enterprise risk management update</li></ul>

\* Q1 submission made in June following the extension granted by SCA due to Covid-19 restrictions



Members of the Audit Committee attended its meetings as follows:

No	Date of Committee meeting	H.E. Mohamed Hassan Alsuwaidi*	Mr. Salem Sultan Aldhaheri	Mr. Khaled Abdulla Almass	Mr. Khalifa Sultan Alsuwaidi**
1	2 Feb 2020	P		P	
2	15 Mar 2020	P	P	P	
3	14 May 2020		P	P	P
4	24 June 2020		P	P	P
5	30 June 2020		P	NP	P
6	13 July 2020		P	P	P
7	9 Aug 2020		P	P	P
8	25 Oct 2020		P	P	P
9	8 Nov 2020		P	P	P
Meetings attended		2/9	8/9	8/9	7/9

P: Present; NP: Not present

Meeting no. 3 to 9 were convened and attended by members of the Committee via teleconference

\* Member of the Committee until 29 April 2020

\*\* Member of the Committee starting 29 April 2020

#### **Sixth: Nomination and Remuneration Committee**

**6/a Chairman of the Nomination and Remuneration Committee acknowledgement of responsibility for the committee charter in the Company, review of its work mechanism and ensuring its effectiveness**

##### **For the period from 1 January 2020 until 29 April 2020**

Mr. Salem Sultan Aldhaheri, Chairman of the Nomination and Remuneration Committee, acknowledges his responsibility for implementing the Nomination and Remuneration Committee's charter in the Company, reviewing its work mechanism and ensuring its effectiveness.

##### **For the period from 29 April 2020 onwards**

Mr. Saeed Mubarak Alhajeri, Chairman of the Nomination and Remuneration Committee, acknowledges his responsibility for implementing the Nomination and Remuneration Committee's charter in the Company, reviewing its work mechanism and ensuring its effectiveness.



**6/b      Names of members of the Nomination and Remuneration Committee, and its functions and duties.**

The members of the Committee were appointed by the Board at the meeting held on 27 August 2019. The membership of the Committee was subsequently revised by the Board of Directors at the Board meeting held on 29 April 2020. The members of the Nomination and Remuneration Committee during 2020 were as per the below table:

<b>Nomination and Remuneration Committee (1 January 2020 to 29 April 2020)</b>	<b>Nomination and Remuneration Committee (29 April 2020 onwards)</b>
Mr. Salem Sultan Aldhaheri (Chairman) Non-executive, independent member	Mr. Saeed Mubarak Alhajeri (Chairman)** Non-executive
Mr. Jasim Husain Thabet (Member) Non-executive, independent member	H.E. Saif Mohamed Alhajeri (Member) Non-executive, independent member
Dr. Jacob Barend Kalkman (Member)* Non-executive, independent member	Mr. Khalifa Sultan Alsuwaidi (Member) Non-executive, independent member

\*Member of the Board until 29 April 2020 (new Board members appointed in AGA on 29 April 2020)

\*\*Mr. Saeed Mubarak Alhajeri has been replaced as the Chairman of the Nomination and Remuneration Committee by H.E. Saif Mohamed Alhajeri, who is a non-executive, independent member of the Board of Directors

**Role and Responsibilities of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was formed by virtue of a Board resolution passed in a meeting held on 20 January 2008. The Committee's charter was amended in February 2012 and a revised charter was approved by the Board of Directors at its meeting held on 11 December 2019.

The specific duties of the Nomination and Remuneration Committee are as follows:

1. Approve the HR policies and procedures of the Company's headquarter and endorse the Company's Group policies and procedures.
2. Recommendation of remuneration strategies and guidelines to the Board that are aligned with the overall business objectives of the Company, formulation and annual review of the policy on granting remunerations, benefits, incentives, and salaries to Board members and Employees and recommendation regarding the general compensation philosophy for the Group, as well as budget for annual incentives that to be awarded. This compensation philosophy should motivate the Executives, Senior Management and Employees to pursue the long-term growth and success of the Group and establish a fair and transparent relationship between individual performance and remuneration.
3. Set the Board membership candidature policy and oversee the process for Board elections.
4. Review and recommend organizational design of the Company's headquarters to the Board.



5. Determine the Company's need for qualified staff at the level of Senior Management and Employees and basis of their selection.
6. Review the framework for measuring the company's performance, such as, balance scorecard, and recommend any changes to the Board for approval.
7. Approval of Emiratization targets.
8. Formulation, supervision of application and annual review of Company's Human Resources policies.
9. Review and discuss with the Executives any compensation information to be included in the Company's annual report or financial statements and related material.
10. Perform quarterly performance review of the company's HR department. General activities related to HR function may be reported if required.
11. Endorse or approve the HR related matters, for both Company's headquarters and on a group level, according to the group policy on delegation of authority.
12. Organization and follow-up of procedures of nomination to the membership of the Board in line with applicable laws and regulations as well as this Charter.
13. Verification of the ongoing independence of the Board members.
14. Review such other matters as may be referred to the Committee by the Board.

**6/c      Nomination and Remuneration Committee meetings held during 2020, their dates and personal attendance of the committee's members**

The Nomination and Remuneration Committee held six meetings during the year 2020, as outlined below:

No.	Date	Main items discussed by the Committee
1.	22 January 2020	- 2020 Proposed Scorecard - Endorsement - Bonus Exercise - Update - Annual Evaluation of N&R Committee - Approval
2.	01 March 2020	- 2019 Company Performance - Board Fees - Endorsement - 2019 Annual Performance Bonus - Endorsement - 2019 and 2020 Board Committees Remuneration - Endorsement - N&R Committee 2019 Annual Performance Report - Approval
3.	23 April 2020	- Board nomination: candidate profiles - Endorsement
4.	18 May 2020	- N&R Committee mandate - N&R Committee Charter - HR Delegation of Authority



No.	Date	Main items discussed by the Committee
		<ul style="list-style-type: none"> <li>- Change on TAQA representative on boards of business units - Endorsement</li> <li>- TAQA N&amp;R Committee 2020 Meetings - Approval</li> </ul>
5.	15 June 2020	<ul style="list-style-type: none"> <li>- New TAQA Organizational Chart</li> </ul>
6.	26 November 2020	<ul style="list-style-type: none"> <li>- Project Bright - Endorsement</li> </ul>

Members attended meetings of the Nominations and Remunerations Committee as follows:

No	Date of Committee meeting	Mr. Saeed Mubarak Alhajeri**	H.E. Saif Mohamed Alhajeri**	Mr. Salem Sultan Aldhaheri*	Mr. Khalifa Sultan Alsuwaidi**	Mr. Jasim Husain Thabet*	Dr. Jacob Barend Kalkman*
1	22 Jan 2020			P		P	P
2	01 Mar 2020			P		P	P
3	23 April 2020			P		P	P
4	18 May 2020	P	P		P		
5	15 June 2020	P	P		P		
6	26 Nov 2020	P	P		P		
Meetings attended		3/6	3/6	3/6	3/6	3/6	3/6

P: Present

Meeting no. 3 to 6 were convened and attended by members of the Committee via teleconference

\* Member of the Committee until 29 April 2020

\*\* Member of the Committee starting 29 April 2020

#### **Seventh: Insider Trading Supervision Committee**

##### **7/a Chairman of the Insider Trading Supervision Committee acknowledgement of responsibility for the committee charter in the Company, review of its work mechanism and ensuring its effectiveness**

Mr. Saeed Rashed Al Darei, Chairman of the Insider Trading Supervision Committee acknowledges his responsibility for the implementation of the Insider Trading Supervision Committee's charter in the Company, the review of its work mechanism and ensuring its effectiveness.



**7/b Names of members of the Insider Trading Supervision Committee, its functions and duties**

The members of the committee were appointed by the Board at the meeting held on 13 December 2017, consisting of the following members:

1. Mr. Saeed Al Darei - Executive Vice President, Government Affairs and Corporate Communications and Board Secretary (from 1 January 2020 until 30 June 2020)
2. Mr. Wael Nabulsi – Group President Internal Controls
3. Mr. Vivek Gambhir - General Counsel

**Duties and tasks of the Committee:**

The main duties and functions of the Insider Trading Supervision Committee are the following:

1. Overseeing the implementation of the Group's internal trading policy;
2. Preparing an insiders' register for restricted persons in accordance with the Group's internal trading policy;
3. Monitoring and supervising transactions carried out by restricted persons on the Group's insiders' register, the ownership of the Company's shares by registered persons and maintaining the insiders' register itself;
4. Providing periodic reports to ADX and/or SCA on trading in the Company's shares by restricted persons and any amendments to the Group's internal trading policy and trading by restricted persons;
5. Appointing a secretary to perform the secretarial functions of the committee. The secretary's role shall include preparing and circulating an agenda in advance of each meeting, taking and maintaining meeting minutes and circulating them after the meetings;
6. Assuming general responsibility for all issues identified in the SCA guidelines for being the responsibility of the Company's Insider Trading and Supervision Committee; and
7. Carrying out such additional duties related or incidental to the foregoing as may be requested by the Board from time to time regarding matters related to insider trading.

**7/c Summary of the Insider Trading Supervision Committee's activities in 2020**

The Insiders Trading Supervision Committee updated the restricted insider list due the changes in management and as a result of the transaction with AD Power. No complaints were registered during the year 2020.

**Eighth: Strategy and Investment Committee**

**8/a Chairman of the Strategy and Investment Committee acknowledgement of responsibility for the committee charter in the Company, review of its work mechanism and ensuring its effectiveness**



#### **For the period from 1 January 2020 until 29 April 2020**

Mr. Jasim Husain Thabet, Chairman of the Strategy and Investment Committee, acknowledges his responsibility for implementing the Strategy and Investment Committee's charter in the Company, reviewing of its work mechanism and ensuring its effectiveness.

#### **For the period from 29 April 2020 onwards**

Mr. Khalifa Sultan Alsuwaidi, Chairman of the Strategy and Investment Committee, acknowledges his responsibility for implementing the Strategy and Investment Committee's charter in the Company, reviewing of its work mechanism and ensuring its effectiveness.

#### **8/b Names of members of the Strategy and Investment Committee and its functions and duties.**

The members of the Committee were appointed by the Board at the meeting held on 27 August 2019. The membership of the Committee was subsequently revised by the Board of Directors at its meeting held on 29 April 2020. The members of the Strategy and Investment Committee during 2020 were:

<b>Strategy and Investment Committee (1 January – 29 April 2020)</b>	<b>Strategy and Investment Committee (29 April 2020 onwards)</b>
Mr. Jasim Husain Thabet* (Chairman) Non-executive, independent member	Mr. Khalifa Sultan Alsuwaidi** (Chairman) Non-executive, independent member
Mr. Khaled Abdulla Almass Non-executive, independent member	Mr. Khaled Abdulla Almass Non-executive, independent member
Mr. Khaleefa Ali Al Qamzi*** Non-executive, independent member	Mr. Jasim Husain Thabet* Executive

\*Chairman of the Committee until 29 April 2020 and redesignated as member of the Committee with effect from 29 April 2020

\*\*Member of the Committee starting 29 April 2020

\*\*\*Member of the Committee until 29 April 2020

#### **8/c Main duties of the Strategy and Investment Committee:**

1. Develop a long-term business strategy of the Company's Group aiming at ensuring that the value of the enterprise as a whole is more than the sum of its parts and make the required recommendations to the Board.
2. Develop capital structure optimization strategy and make recommendations to the Board, and supervise the implementation of the strategy as approved by the Board.
3. Supervise the development of synergies and cost optimization initiatives and its implementation to the extent approved by the Board.



4. Supervise the development of yearly capital allocation program and ensure that the program approved by the Board is translated into yearly annual budgets. Review and endorse the 5-year business plan.
5. Develop and/or review strategies for growth and development the power and water business unit aimed at positioning the Company as power and water regional MENA champion, including divestment and redeployment of capital and make recommendations to the Board.
6. Develop and/or review strategies and plans for preserving and enhancing the value of the Company's interests in the power and water businesses (including its operatorship capabilities);
7. Require the relevant power and water business unit to report to the Committee on progress with implementation of strategies approved by the Board and the initiatives identified for implementing them.
8. Develop a region-by-region asset optimization strategies (incl. but not limited to, sales & acquisition of assets/businesses, inviting partners for a joint venture or farming out swaps of assets) aimed at maximizing value of each of the oil and gas businesses of the Company, recommend them to the Board, and supervise its implementation to the extent approved by the Board.
9. Develop strategies and initiatives for improving operational efficiencies of oil & gas businesses of the company, make recommendations to the Board, and supervise its implementation as approved by the Board.
10. Develop and/or review plans and strategies for efficient and economical decommissioning of the assets of oil & gas businesses that require approval of the Board, and supervise their implementation as approved by the Board.
11. Require the relevant oil & gas businesses to report to the Committee on progress with implementation of strategies approved by the Board and the initiatives identified for implementing them.
12. Review and endorse proposals for the acquisition and disposition of Power and/or Water assets/businesses and make recommendations to the Board, and supervise implementation of the proposal as approved by the Board.
13. Review and endorse proposals for the acquisition and disposition of Oil and Gas assets/businesses and make recommendations to the Board, and supervise implementation of the proposal as approved by the Board.
14. Review and endorse all the Investment Memorandum (IM) that are required to be approved by the Board and make recommendations to the Board.
15. Review and endorse all financing activities that are required to be approved by the Board.
16. Hire advisors to support the Committee on any of the above as considered necessary by the Committee.



**8/d** The Strategy and Investment Committee held the following meetings during 2020

No.	Date	Main items discussed by the Committee
1	29 January 2020	<ul style="list-style-type: none"><li>- TAQA Bratani's requests to award modular rig and aviation consortium tender</li><li>- Entry into decommissioning security agreement for endorsement</li><li>- Acquisition of minority shares in IWPPs</li><li>- Cash Acceleration initiative for Jubail</li><li>- Transco's request for the transfer of Mina Land ownership</li></ul>
2	8 April 2020	<ul style="list-style-type: none"><li>- Context, Outlook &amp; Revised Financial Forecasts - Update</li><li>- 2020 Budget rebase (Capex, Opex and Abex)</li><li>- Operational, liquidity and equity implications and actions</li></ul>
3	2 June 2020	<ul style="list-style-type: none"><li>- Assessment of Shut-in viability and 2020 cash quick-wins opportunities for oil and gas business</li><li>- Extension of Platform and Drilling Maintenance contract with Odfjell</li><li>- Project Saffron</li></ul>
4	17 June 2020	<ul style="list-style-type: none"><li>- Foreign exchange hedging strategy</li><li>- Request to award contracts for Fabric Maintenance Services and Inspection Services</li><li>- Project Saffron</li></ul>
5	29 July 2020	<ul style="list-style-type: none"><li>- TAQA Morocco Debt Re-Profiling</li></ul>
6	16 September 2020	<ul style="list-style-type: none"><li>- Transfer of ADES from AD Power to the Company</li><li>- GBP FX Hedging Proposal</li></ul>
7	30 September 2020	<ul style="list-style-type: none"><li>- Tern field and North Cormorant field Plug &amp; Abandonment Batch 1</li></ul>
8	21 October 2020	<ul style="list-style-type: none"><li>- TAQA North Natural Gas Commodity Price (Hedging)</li><li>- Mirfa IWPP EPC Claim and Settlement Framework Agreement</li></ul>
9	5 November 2020	<ul style="list-style-type: none"><li>- Corporate Strategy</li><li>- Budget and 5-Year Plan</li><li>- Dividend Policy and Foreign Ownership Percentage</li></ul>
10	19 November 2020	<ul style="list-style-type: none"><li>- PV2 IPP Financing – Endorsement</li><li>- TB Tern Rig Return to Service AM Variation Order</li><li>- Update on assessment of TAQA North asset optimization</li></ul>



Members of the Strategy and Investment Committee attended its meetings as follows:

No	Date of Committee meeting	Mr. Khaled Abdulla Almass	Mr. Khalifa Sultan Alsuwaidi*	Mr. Jasim Husain Thabet	Mr. Khaleefa Ali Al Qamzi**
1	29 Jan 2020	P		P	P
2	8 April 2020	P		P	P
3	2 June 2020	P	P	P	
4	17 June 2020	P	P	P	
5	29 July 2020	P	P	P	
6	16 Sep 2020	P	P	P	
7	30 Sep 2020	P	P	P	
8	21 Oct 2020	P	P	P	
9	5 Nov 2020	P	P	P	
10	19 Nov 2020	P	P	P	
Meetings attended		10/10	8/10	10/10	2/10

P: Present

Meeting no. 2 to 10 were convened and attended by members of the Committee via teleconference

\* Member of the Committee starting 29 April 2020

\*\* Member of the Committee until 29 April 2020

#### **Nineth: Internal control system**

The Company's internal control processes aim to achieve:

- Effectiveness and efficiency of operations;
- Reliability of internal and external financial reporting; and
- Compliance with laws and regulations and internal policies for conducting business.

There are two main components of the Company's internal control system:

- The design, development and implementation of an effective internal control system; and



- Ongoing monitoring and review of the internal control system to test its adequacy and effectiveness, and to verify its compliance.

The Company's internal controls are contained in policies, procedures and systems that have been adopted by the Company and that are managed and implemented by employees from many corporate and business units, including:

- Group Chief Executive Officer and Managing Director
- Executive Directors of the transmission and distribution, generation, and oil and gas business lines
- Chief Financial Officer
- Chief Risk and Internal Audit Officer
- Chief Legal Officer
- Head of Strategy and M&A
- Head of Group Communications
- Vice President of Accounting
- Head of Ethics & Compliance
- Heads of departments

The authority for the design and implementation of the internal controls framework is delegated by the Board to the Group Chief Executive Officer and Managing Director ("GCEO") who manages the Company, providing guidance to managers in charge of applying specific aspects of the internal control system and who is accountable to the Board.

The Company's internal control system consists of a series of documented policies and procedures, particularly the Business Code of Ethics, other ethics policies on Antibribery and Corruption, Anti Money Laundering, Sanctions and Gifts and Entertainment, Fraud and accounting policies and procedures (which include a number of procedures designed to address financial issues and financial reports), as well as the delegation of authority policy, financial policies, treasury policies, HSSE policy, and reporting policy. These policies and procedures help the company achieve its objectives within an effective ethical framework and provide appropriate means to direct, monitor and measure the Company's resources and assist in analyzing the financial performance of the Company as well as playing an important role in preventing and controlling any fraud or other financial irregularities.

### **Internal Audit**

The Head of Internal Audit is responsible for overseeing and managing internal audits of the Company's internal control system to ensure that it is in line with its objectives. Internal Audit provides independent assurance to the GCEO and the Board on whether the internal control system is adequately designed and operating as intended to conduct the Company's business and manage significant risks effectively. The Internal Audit aims to review internal controls over the management of significant risks, highlighting any deficiencies or weaknesses including compliance with the overall framework. The Head of Internal Audit, in coordinating the work and duties of the Internal Audit department, reports functionally to the Audit Committee. The Audit Committee meets regularly to receive updates from the Head of Internal Audit, including the review of the internal audit work plans and reports on audit results.

The Internal Audit department is responsible for preparing annual audit plans to review certain businesses, functions and activities of the Company and its subsidiaries. These annual audit plans are subject to the approval of the Audit Committee of the Board. The objective of these plans is to periodically audit the



operations and activities of the Company, as appropriate, based on the significant risks to the Company, in line with the Company's risk assessment procedures.

**9/a The Board's acknowledgement of its responsibility for the internal control system of the Company, review of its work mechanism and ensuring its effectiveness**

The Board of the Company confirms its responsibility for overseeing the implementation of the internal control systems of the Company and for the periodic review of this system and its effectiveness through the Board-level Audit Committee in accordance with Chairman of the Authority's Board of Directors' Resolution.

**9/b The name, qualifications and date of appointment of the head of the internal controls department**

Mr. Wael Nabulsi is the Group President of Internal Controls at the Company, appointed to this position in September 2015. He is an expert in internal audit, corporate governance and risk assessment with 18 years of experience in preparing, managing and directing internal audits and setting corporate governance policies. He is a chartered internal auditor and holds an Executive MBA from INSEAD Business School.

**9/c The name, qualifications and date of appointment of the compliance officer**

On 31 August 2020, Mr. Mohammad Adnan Sharafi was appointed as the registered Compliance Officer at the Company. He is qualified to practice law as a Solicitor of the Supreme Court of England & Wales and holds a Post-Graduate Diploma in Legal Practice from the College of Law as well as a Bachelor of Laws (Hons) from the University of Westminster, London.

**9/d How the Internal Controls Department handles any significant issues in the Company or issues disclosed in annual reports and statements**

The Company has now established a dedicated and well-resourced Ethics & Compliance Office with the intention of forming a strong ethics and compliance framework and culture across the newly formed Group of the Company. Abdul Rahman Al Jaabari was appointed on 27 July 2020 as the Director of Ethics & Compliance at the Company to establish a best in class ethics and compliance program. Prior to joining the Company, Abdul Rahman was the Head of Ethics & Compliance at Mubadala Business Management Services (BMS) and the Ethics & Compliance Business Partner for the Mubadala Corporate Units, and the Alternative Investments & Infrastructure Platform at Mubadala. He has over 15 years of experience, holds a Bachelors degree in Economics/Political Science from the University of Arizona, and a Master of Studies in Law in Ethics & Compliance from the Law School at the University of Colorado Boulder. He is a Certified Compliance and Ethics Professional International (CCEP-I), a Certified Leadership Professional in Ethics & Compliance, and a Certified Fraud Examiner (CFE).

A new anonymous Helpline portal was launched across the Company's Group. In addition, the Ethics & Compliance Office began to work on updating the Code of Ethics & Business Conduct and Ethics & Compliance Policies as well as the development of a suite of new internally and externally facing policies. The new policies are expected to be rolled out across the group during 2021. The Speaking Up Policy (formerly the Whistleblowing Policy), provides guidance on how to raise questions, concerns, or make reports about any suspected violation. The Ethics & Compliance Office is responsible for looking into concerns raised through the Helpline. The Speaking Up Policy puts in place a new process for handling concerns raised in respect of the senior management team. This



policy also highlights to the Company's personnel their responsibilities in the event of an investigation that involves them.

**9/e The number of reports issued by the Internal Control Department to the Board**

A total of five reports have been issued by the Internal Controls and Assurance Department to the Board-level Audit Committee.

**Tenth: Details of the violations committed during the year 2020 and a statement of reasons thereof, how they were addressed and how they will be avoided in the future**

There were no violations committed during the fiscal year ended 31/12/2020.

**Eleventh: Cash and in-kind contributions made by the Company during the year 2020 towards the local community development and environmental conservation**

The below table lists the corporate social responsibility initiatives of the Company in Abu Dhabi, UAE.

Event	Description	Amount
Breast Cancer Awareness (Abu Dhabi)	HQ team installed a photo wall where colleagues took photos wearing a pink ribbon, pledging their commitment to raise awareness and to drive change. HQ also organized two 'Breast Cancer Awareness Talks' for the Group, one with an oncologist and one with a physician from leading hospitals, both of whom kindly donated their time for the cause.	N/A
Employee Welfare (Abu Dhabi)	ADDC supported affected employees and families who live in Abu Dhabi by providing food supplies and essential goods.	AED 5,000

**Twelfth: General Information**

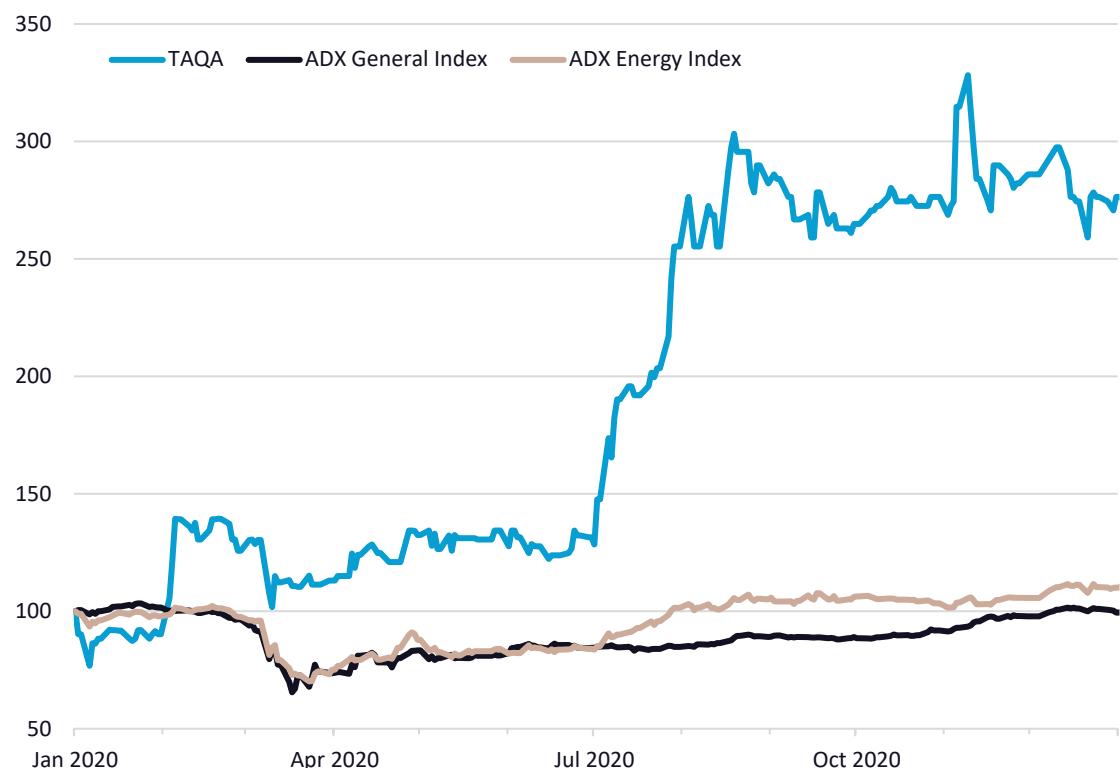
**12/a The Company's share price in the market (closing price, highest price and lowest price) by the end of each month during the year 2020.**

Month (2020)	Closing price (AED, end of month)	Highest closing share price (AED)	Lowest closing share price (AED)
January	0.47	0.52	0.40
February	0.66	0.73	0.47
March	0.59	0.68	0.53
April	0.69	0.70	0.59
May	0.69	0.72	0.66

Month (2020)	Closing price (AED, end of month)	Highest closing share price (AED)	Lowest closing share price (AED)
June	0.69	0.70	0.64
July	1.33	1.33	0.67
August	1.47	1.58	1.31
September	1.38	1.49	1.35
October	1.44	1.46	1.38
November	1.49	1.71	1.40
December	1.44	1.55	1.35

**12/b The comparative performance of the Company's shares with the market index and the energy sector index during year 2020**

The graph below shows the performance of the Company's shares compared to that of the ADX Index and the ADX Energy Index.





**12/c Shareholding distribution as of 31/12/2020**

**Distribution of the Company's shares by investor type:** The percentage of government entities' ownership is 0.00%, companies 99.12%, and individuals 0.88%. The near-zero share of government ownership reflects the classification of Abu Dhabi Power Corporation (**AD Power**) as a corporate entity and follows the transfer of the Department of Energy's share (a direct government entity) in the Company to AD Power in 2019. AD Power is a wholly owned subsidiary of Abu Dhabi Development Holding Company (**ADQ**), one of the wholly owned strategic investment companies of the Government of Emirate of Abu Dhabi.

**Distribution of Company shares by investor nationality:** The ownership of the Company's shares is open to foreign investors up to a maximum limit of 49% of total share capital (the public free-float of the Company stood at 1.40%).

Shareholder category	Individuals	Companies	Government	Total
National	0.87%	99.11%	0.00%	<b>99.98%</b>
Arab	0.01%	0.00%	-	<b>0.01%</b>
Foreigner	0.00%	0.01%	-	<b>0.01%</b>
<b>Total</b>	<b>0.88%</b>	<b>99.12%</b>	<b>0.00%</b>	<b>100.00%</b>

**12/d Shareholders who hold 5% or more of the Company's capital as of 31/12/2020:**

Name	Number of shares held	% of the shares held of Company's capital
<b>AD Power</b>	<b>111,860,170,500</b>	<b>98.60%</b>

**12/e Shareholders distribution by the size of equity as of 31 December 2020:**

Shares owned (shares)	Number of shareholders	Number of shares held	Shares held (% of capital)
Less than 50,000	94,509	82,744,145	0.07%
From 50,000 to less than 500,000	1,038	156,721,825	0.14%
From 500,000 to 5,000,000	233	292,538,238	0.26%
More than 5,000,000	49	111,902,245,792	99.53%
<b>Total</b>	<b>95,829</b>	<b>112,434,250,000</b>	<b>100.00%</b>

**12/f Procedures taken with respect to the investors' relations, indicating the following:**

The Company has appointed Mr. Shadi Salman as the Investor Relations Manager.

Direct telephone number: +971-2-6914804



Mobile Number: +971-50-4350247

Email: [shadi.salman@taqa.com](mailto:shadi.salman@taqa.com)

The Company maintains a dedicated investor relations section on its corporate website:  
<https://www.taqa.com/investors>.

The following are published on the above webpage:

1. Material disclosures related to the Company;
2. Interim and annual financial reports;
3. Governance reports;
4. Presentations, webcast replays, management discussion and analysis reports;
5. Investor presentations and the latest rating agency reports;
6. In addition, the Company procures the maintenance of a smartphone investor relations application, which provides investors with much of the same content provided through our corporate website in an easy-to-use on-the-go platform; and
7. Such other topics of interest to investors.

**12/g Special resolutions presented to the General Assembly in 2020 and the procedures taken with respect thereto.**

The Company held its AGA on 29 April 2020 and a further General Assembly on 13 December 2020. A Special Resolution is defined in our Articles of Association as a resolution requiring the approval of the Company's General Assembly by shareholders owning not less than three quarters of the shares represented in that General Assembly. In 2020, the following special resolutions were passed by the shareholders:

*At the AGA held on 29 April 2020*

1. Approval of the transaction entailing the transfer of the majority of AD Power's power and water generation, transmission and distribution assets to the Company in return for shares through the issuance of a mandatory convertible bond to AD Power by the Company; and
2. Amendment of Article 6 of the Articles of Association (increase in share capital to effect the completion of the transaction with AD Power).

*At the AGA held on 13 December 2020*

1. Amendment of Article 48 of the Company's Articles of Association (distribution of quarterly and/or semi-annual dividends to shareholders); and
2. Approval of a new dividend policy for the Company.

**12/h Secretary of the Board of Directors**

**Name of the Secretary of the Board**

Mr. Mohammad Adnan Sharafi (Appointed as Secretary of the Board with effect from 1 July 2020).

Mr. Saeed Rashid Al Darei, Executive President, Government Affairs and Corporate Communications, was appointed as Secretary of the Board on 10 May 2006 and held office until 30 June 2020.



### Date of appointment

With effect from 1 July 2020, Mr. Mohammad Adnan Sharafi, was appointed as Secretary of the Board.

### Qualifications and expertise

Mr. Mohammad Adnan Sharafi is currently the Chief Legal Officer and Board Secretary of the Company, overseeing the Group's legal, governance, ethics and compliance and regulatory affairs functions since July 2020. Prior to his role in the Company, Mohammad served as the General Counsel and Board Secretary of AD Power, in addition to nearly 12 years within the legal function at Mubadala Investment Company PJSC, advising on major M&A transactions, utilities development projects and other transactions covering the utilities, industrial and financial sectors. He has also spent time working at Clifford Chance LLP in London and Dubai.

Mr. Mohammad Adnan Sharafi is qualified to practice law as a Solicitor of the Supreme Court of England & Wales and holds a Post-Graduate Diploma in Legal Practice from the College of Law, London as well as a Bachelor of Laws (Hons) from the University of Westminster, London.

### **Main Duties of the Board Secretary**

1. Document Board meetings and prepare minutes (which must include the discussions and deliberations that took place, the venue, attendees, date, and timing of the meetings).
2. Register and record all Board resolutions and voting results (including the names of attendees and any expressed reservations).
3. Keep all reports submitted to the Board and those prepared by the Board.
4. Provide Board members with notice of Board meetings and the Board meeting agenda and all related documents and information.
5. Ensure that Board members comply with actions approved by the Board.
6. Support the Board assessment and evaluation process.
7. Coordinate between Board members and Executives, including informing about resolutions of the Board and its Committees and reporting on their implementation and application.
8. Provide disclosures related to Board meetings to ADX, SCA and such other competent authority.
9. Regulating the disclosure record of the Board and the Company in accordance with the Governance Rules and any other applicable legislation; and
10. Recording all declarations of interest and requiring every Board member to review and confirm such record periodically, as required by applicable law, the Chairman of the Authority's Board of Directors' Resolution and Articles of Association of the Company.

### **12/I Significant company events that took place in 2020.**

#### *AD Power transaction*

On 3 February 2020, the Company announced that its Board had received an offer from AD Power, its majority shareholder and owner of most of the water and electricity assets across the Emirate of Abu Dhabi. The key terms of the offer were that AD Power would transfer most of its power and water generation, transmission and distribution assets to the Company in exchange for shares and termination of the land lease agreement between AD Power and the Company. After hiring a financial advisor and receiving a fairness opinion, the Board subsequently recommended to



shareholders the approval of the transaction at the annual General Assembly. Shareholders approved the transaction on 29 April 2020 and the transaction was completed on 1 July 2020.

*Changes to the Board of Directors:*

On 29 April 2020, the three-year term of the Board came to an end and a new Board was elected by shareholders at the annual General Assembly. This resulted in the re-election of five board members (H.E. Mohamed Hassan Alsuwaidi, Mr. Saeed Mubarak Alhajeri, Mr. Jasim Husain Thabet, Mr. Salem Sultan Aldhaheri and Mr. Khaled Abdulla Almass) and the election of two new board members (H.E. Saif Mohamed Alhajeri and Mr. Khalifa Sultan Alsuwaidi). At the first meeting of the new Board, H.E. Mohamed Hassan Alsuwaidi was elected as Chairman, replacing Mr. Saeed Mubarak Alhajeri who was elected Vice-chairman.

*Changes to Senior Executive Management:*

On 1 July 2020, upon completion of the transaction with AD Power, the Board appointed Mr. Jasim Husain Thabet as Group Chief Executive Officer and Managing Director of the Company, and Mr. Saeed Hamad Aldhaheri, previously CEO, was appointed Deputy CEO. Mr. Stephen John Ridlington was appointed as the Company's Chief Financial Officer, replacing Mr. Mohammed Al Ahbabi who was subsequently appointed CFO of Abu Dhabi Distribution Company, a new wholly owned subsidiary of the Company following the transaction with AD Power.

On 1 November 2020, Mr. Saeed Hamad Aldhaheri resigned from the Company.

*New dividend policy:*

On 13 December 2020, the Company's shareholders approved a new dividend policy, reflecting the Company's strengthened financial profile following the AD Power transaction and confidence in the Company's strong growth prospects and cash flow generation ability going forward.

The progressive dividend policy specifies the expected total payouts for the three-year period covering fiscal years 2020-22 and the intention to pay dividends quarterly. It is caveated by the consideration of several factors, including the availability of distributable reserves, our capital expenditure plans, credit rating considerations and other cash requirements in future periods.

**12/j Emiratization percentage by the end of 2017, 2018, 2019 and 2020:**

Year	Emiratization rate
2020	54%
2019	65%
2018	65%
2017	60%



**12/k Innovative projects and initiatives implemented by the Company or which were under development during 2020:**

The Company achieved financial close of the Fujairah F3 independent power producer (IPP) project in partnership with the Japan-based Marubeni Corporation to develop the largest independent thermal power plant in the UAE which is located in Fujairah.

The Company announced that its subsidiary, Abu Dhabi Distribution Company (ADDC), awarded projects worth up to AED 900 million to expand the company's recycled water distribution program. The two new projects will, upon completion, have a combined capacity to transmit approximately 85 million imperial gallons per day (MIGD) of recycled water – enough to irrigate more than 3.5 million palm trees.

The Company achieved financial close of the 2 GW Al Dhafra Solar Photovoltaic (PV) Independent Power Producer (IPP) project, the world's largest solar power plant that will generate enough electricity for approximately 160,000 homes across the UAE, which will be located approximately 35 kilometers from Abu Dhabi city. The project was awarded to a consortium led by the Company and Masdar, in partnership with EDF and Jinko Power (which together have formed a Project Company). The project's power purchase agreement (PPA) was signed between Emirates Water and Electricity Company and the Project Company.



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**Chairman of the Board**  
4 March 2021

**Chairman of the Audit Committee**  
4 March 2021

**Chairman of the Nomination and Remuneration Committee**  
4 March 2021



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**Group Vice President Internal Controls and Assurance**  
4 March 2021