



Over 20 years of dedication to excellence

**2018** Corporate Governance Report

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This Corporate Governance Report is approved by:



Khaled Abdulla Al Qubaisi  
Chairman of the Board



Jasim Husain Thabet  
Chief Executive Officer

# CORPORATE GOVERNANCE REPORT

## PREFACE

The following report is governed by the Resolution of the Board of the Securities and Commodities Authority (“SCA”) No. 7/R.M. of 2016 on the Corporate Discipline and Governance Standards of Public Joint-Stock Companies (“Resolution 7/2016”) and the format of this report is prescribed by SCA. This report outlines the compliance of National Central Cooling Company PJSC (the “Company” or “Tabreed”) with Resolution 7/2016, and the Company’s overall governance structure in the period from 1 January 2018 to 31 December 2018.

## 1. COMPLIANCE WITH REGULATIONS

Tabreed’s corporate governance system is well developed, adopts local and international best practice and meets all relevant requirements of UAE legislation on corporate governance, including the Commercial Companies Law No. 2 of 2015 and Resolution 7/2016. Resolution 7/2016 applies to Tabreed’s listing on the Dubai Financial Market (“DFM”). SCA supervises, controls and verifies Tabreed’s compliance with Resolution 7/2016.

## 2. CORPORATE GOVERNANCE STRUCTURE

The General Assembly Meeting is the highest decision-making body in the Company and is the forum in which shareholders exercise their right to decide on the Company’s direction. The Annual General Assembly Meeting “AGA” is convened once a year to carry out tasks such as adopting the Board of Directors’ report and the annual and consolidated accounts, discharging the members of the Board of Directors and the auditors from liability and deciding how the profit of the past financial year is to be allocated.

The shareholders are the ultimate decision-makers in respect of the direction of the Company as the shareholders are responsible for appointing the Board of Directors at the AGA of the Company, each such appointment being for a term of three years. The shareholders present at the AGA also elect the auditors who in turn report on their scrutiny to the AGA.

The following sections summarize how the Company has applied the principles of Resolution 7/2016 and its compliance with these principles.

### Board of Directors (Art. 3, Resolution 7/2016)

The appointment, roles and responsibilities of the Board of Directors of Tabreed (the “Board” or “Board of Directors”) are outlined in Tabreed’s Articles of Association (“AoA”).

Throughout the year, the membership balance criteria set down by Resolution 7/2016 in relation to executive, non-executive and independent members of the Board was maintained by Tabreed together with an appropriate level of skills, experience and capabilities across the membership.

### Chairman of the Board (Art. 4 and 42, Resolution 7/2016)

In 2018, Khaled Abdulla Al Qubaisi presided as the Chairman of the Board (the “Chairman”). The Chairman of Tabreed’s Board is a non-executive and independent director with extensive and prominent experience in the finance and energy sectors both regionally and internationally. Throughout the year, the Chairman ensured that the Board participated effectively at Board meetings and that each member of the Board acted in the best interests of Tabreed and its shareholders. The Chairman developed the structure of, and agenda for, meetings of the Board, overseeing communication between Board members and shareholders, and encouraged constructive relations between the Board members.

### Members of the Board (Art. 11, 40, 43, 44, and 45 Resolution 7/2016)

The members of the Board have a diverse set of skills and experience. Each member’s duty is to act in the best interests of Tabreed and its shareholders. Each member of the Board ensures that Tabreed’s management maintains systems and processes to ensure adherence to laws, regulations and Tabreed’s operational requirements.

The Board ensures that Tabreed’s management provides them with sufficient information, in a timely manner, to make informed decisions that affect the direction of the Company. The Board members participate in Board meetings, giving independent opinions on strategic issues, policy, accounting, resources and principles of required behaviour. The Board tracks the Company’s performance against strategic objectives.

Each year, all Board members disclose to Tabreed an assessment of their independence, confirmation of confidentiality, details of any share trading and details of their significant positions in public companies or other institutions.

### Remuneration of the Chairman and the Board Members (Art. 21, Resolution 7/2016)

The Chairman and the Board members are entitled to be remunerated by a percentage of up to a maximum of 10% of the net profits of the Company in respect of each fiscal year, subject to approval by the shareholders at the Company’s AGA and subject to setting aside a statutory reserve of 10% of the net profits of the Company.

### Board Committees (Art. 46, Resolution 7/2016)

The Board is empowered to establish Board committees and to delegate powers to such committees as necessary or appropriate. The Board delegates certain functions to well-structured committees but without abdicating its own responsibilities.

Board committees are an effective way to distribute work between Board members and allow for more detailed consideration of

specific matters. All the Board committees are functioning on behalf of the Board and the Board will be responsible for constituting, assigning, co-opting and fixing terms of service for Board committee members.

Tabreed’s Board has constituted four Committees and implemented charters that define the obligations, duration and authority of each Committee and these Committees are regularly monitored by the Board considering their performance and commitment. These Committees are:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Finance Committee; and
4. Projects Committee.

The Audit Committee and the Nomination and Remuneration Committee are mandated by Resolution 7/2016. The Finance Committee and the Projects Committee have been established by the Board of Directors to facilitate the business requirements of the Company.

### Nomination and Remuneration Committee (Art. 47, Resolution 7/2016)

The Nomination and Remuneration Committee assists the Board in discharging its responsibilities in relation to qualifications, compensation, appointment and succession of the Company’s directors and key management personnel. The Committee oversees the Company’s nomination process for the Board of Directors and continuously monitors the independency of the independent members of the Board (*See Section 7 for further detail on the Nomination and Remuneration Committee*).

### Audit Committee (Art. 48, Resolution 7/2016)

The Board maintains an Audit Committee that monitors financial statements, reviews and recommends changes to Tabreed’s financial and control systems, and appoints and maintains an appropriate relationship with the Company’s external auditors. The Audit Committee also oversees the Internal Control function and is responsible for approving recommendations for internal control improvements. (*See Section 6 for further detail on the Audit Committee*).

### Finance Committee:

The role of the Finance Committee is to assist the Board in monitoring and reviewing: a) the economics and financial returns of investments and commitments, b) debt and equity financing transactions; and c) financial risk management programs of the Company.

### Projects Committee:

The role of the Projects Committee is to assist the Board and management in the successful tendering and execution of projects, management of project related contracts, procurement processes, health/safety and the environment, or any other matter that may be critical for the efficient, safe and reliable operation of the Company's projects and existing assets.

### Internal Control (Art. 50, Resolution 7/2016)

Tabreed's Internal Control function is maintained by the Board with certain responsibilities delegated to the Audit Committee. The Board provides independent, objective and authoritative advice as well as assurance over the Internal Control environment to the Board, Audit Committee and management, to assist them in discharging their functions and duties conferred and imposed on them.

The Board ensures that the internal controls are effective by reviewing the work of the Audit Committee, effectively dealing with risk and control issues at Board meetings and requiring that risk and internal control issues are discussed at each Board meeting. The Board also ensures that an internal control review is conducted by the Internal Control function each year. *(See Section 10 for further detail on the Internal Control function).*

### External Auditor (Art. 36, Resolution 7/2016)

On the recommendation of the Audit Committee, the Board reappointed Deloitte

& Touche M.E. as Tabreed's external auditor at the 2018 AGA held on 7 March 2018. The Board ensures that the external auditor remains independent from the Company. The external auditor has broad powers to provide reports to the General Assembly Meeting and to regulatory bodies. (See Section 5 for further detail on the External Auditor). Deloitte & Touch M.E. will not be eligible for reappointment at the 2019 AGA as it will have served as the auditor of the Company for three consecutive financial years, being the maximum consecutive term permissible under Article 243(2) of the Commercial Companies Law No. 2 of 2015.

### Delegation to Management (Art.9, Resolution 7/2016)

The Board provides guidance and direction to Tabreed's management towards achieving the strategic objectives of Tabreed.

The Board is responsible for the direction and overseeing of the Company on behalf of the shareholders. The day to day activities of Tabreed are delegated to management through the Board approved Delegation of Authority as amended and approved by the Board on 7 November 2017. The Delegation of Authority is valid for a duration of 3 years and subject to regular review and amendment (if required) by the Board and the Audit Committee.

The Delegation of Authority delegates authority from the Board to executive management to execute the following:

1. Contractual or other commitments;
2. Expenditure, purchases; and
3. Investments,

In each case below a specified maximum limit amount (in AED), beyond which approval of the Board is required. To give effect to the Delegation of Authority, the Board has granted a general Power of Attorney to the Chief Executive Officer, subject to the abovementioned maximum limit amount and which shall remain in force for the same duration of the Delegation of Authority. Other than the above Delegation of Authority, there are no other standing delegations of authority from the Board of Directors to the management of the Company. All other powers, authorities and responsibilities in respect of the management of the Company are vested in

the Board in accordance with the AoA of the Company, subject to those matters reserved under such AoA and/or applicable laws and regulations for the exclusive decision by the shareholders of the Company at the General Assembly of the Company.

The Board also provides guidance and direction to management through the following mandates that are regularly reviewed by the Board:

1. The five-year strategic plan;
2. Tabreed's policies;
3. The annual budget;
4. Key performance indicators; and
5. Regular reporting against performance targets.

### Shareholders' Rights (Art. 33, 34 and 35 of Resolution 7/2016)

The Board is committed to maintaining the highest standards in relation to recognition of shareholders' rights. This commitment is outlined in the Charter of the Board of Directors. To that end, Tabreed maintains an appropriately resourced shareholder communications function and has engaged the Dubai Financial Market ("DFM") and First Abu Dhabi Bank ("FAB") to assist with engagement of shareholders.

The purpose of each of the investor relations and shareholder communications function as

well as FAB's and the DFM's role is to ensure that shareholders receive all required financial reports and relevant information, that shareholders are notified of and attend General Assembly meetings, and that dividend payments, when approved, are provided to each shareholder on a timely basis.

The AoA sets out the shareholders' rights to information, voting, participation at meetings and information on candidates for Board positions.

### Code of Conduct (Art. 43 (11), Resolution 7/2016)

The manner in which the Company expects the Board, its employees, the auditors and the persons to whom specific duties are assigned, to behave with respect to each other, the law, customers, suppliers, stakeholders and the community is articulated in the Tabreed Code of Conduct.

## 3. BOARD MEMBER TRANSACTIONS

The Company's Market Conduct and Trading Policy has rules governing the dealings by the Board members and their close family in Tabreed's securities. A fundamental restriction in place is that no Board member or Tabreed employee is allowed to trade in Tabreed securities during a blackout period. Blackouts occur over the periods when sensitive information is being developed or considered. The table below outlines the Board members' (and their immediate relatives') shareholdings and share transactions during 2018:

Name	Position	Total shares held as of 31/12/2018	Total shares bought	Total shares sold
Khaled Abdulla Al Qubaisi	Chairman	645,000	645,000	0
Saeed Ali Khalfan Al Dhaheri	Board Member	5,000	0	0



## 4. FORMATION OF THE BOARD

### 4(a) Board Composition

The following table outlines details of each Board member holding office during 2018 in terms of independence, executive position and term of office.

Name	Position	Year of appointment	Executive	Independent	2018 Term
<b>Khaled Abdulla Al Qubaisi</b>	Chairman	2009	No	Yes	1 Jan to 31 Dec
Paulo Almirante	Vice Chairman	2017	No	No	1 Jan to 31 Dec
H.E. Dr. Ahmad bin Abdullah Humaid Belhoul Al Falasi	Member	2017	No	Yes	1 Jan to 31 Dec
Mohammed Al Huraimel Alshamsi	Member	2014	No	Yes	1 Jan to 31 Dec
Mohamed Jameel Al Ramahi	Member	2017	No	Yes	1 Jan to 31 Dec
Sébastien Arbola	Member	2017	No	No	1 Jan to 31 Dec
Frédéric Claux	Member	2017	No	No	1 Jan to 31 Dec
Frédérique Dufresnoy	Member	2017	No	No	1 Jan to 31 Dec
Saeed Ali Khalfan Al Dhaheri	Member	2017	No	Yes	1 Jan to 31 Dec

Tabreed has one female member on its Board of Directors, Frédérique Dufresnoy, who was elected by the General Assembly on 11 September 2017. No other nominations were received from any female candidates during the most recent board election process which publicly invited candidates to nominate themselves for election between 27 August 2017 and 5 September 2017.

### 4(b) Elections and terms of office

The General Meeting has the competence to elect and remove the members of the Board. In accordance with Tabreed's AoA, the term of each Board member is three years. The Board members are elected by secret ballot. The Board of Directors elects the members of the Committees and designate its Chairman.

### 4(c) CVs and other PJSC Board Memberships



**Khaled Abdulla Al Qubaisi**  
Chairman

Khaled Abdulla Al Qubaisi is the Chief Executive Officer, Aerospace, Renewables & Information Communications Technology (ICT) for Mubadala Investment Company, overseeing the company's aerospace, defense, ICT and utilities portfolio. Before joining Mubadala, Khaled worked as Chief Investment Officer at International Capital and was the Head of Corporate Finance and Business Development at the National Bank of Abu Dhabi where he focused on developing the bank's investment banking capabilities. He is the Chairman of Injazat, and Emirates Defense Industries Company (EDIC) and board member of Abu Dhabi Future Energy Company (Masdar), Emirates Integrated Telecommunications Company PJSC (Du), Emirates Global Aluminium, GLOBALFOUNDRIES and Mubadala Petroleum.



**Paulo Almirante**  
Vice Chairman

Paulo Almirante is currently Executive Vice President and Group Chief Operating Officer of global energy leader ENGIE and is a member of ENGIE's Executive Committee. He is responsible for the following business units: Brazil; Middle East, South and Central Asia and Turkey; North, South and Eastern Europe and Generation Europe. He is a board member of numerous ENGIE group companies. He holds a Master of Science degree in Mechanical Engineering Production Management and a Master's degree in Mechanical Engineering Thermodynamics from the Instituto Superior Técnico in Lisbon, Portugal.



**H.E. Dr. Ahmad Bin Abdullah Humaid Belhoul Al Falasi**  
Board Member

His Excellency Dr. Ahmad Belhoul Al Falasi is the Minister of State for Higher Education and Advanced Skills where he supervises the development of higher education and scientific research in the UAE. In addition, His Excellency is currently the Chairman of the Federal Authority for Human Resources and the Chairman of the UAE Space Agency. His Excellency previously held positions as CEO of Masdar, Executive Director of Strategy and Tourism Sector Development at Dubai's Department of Tourism and Commerce Marketing, Vice President at Mubadala Investment Company and a position at McKinsey & Company. His Excellency holds a Ph.D. from Sir John Monash University in Australia, a Master of Science from the University of Melbourne and a Bachelor's degree in Telecommunications Engineering from Khalifa University, UAE.



**Mohamed Jameel Al Ramahi**  
Board Member

Mohamed Jameel Al Ramahi is the Chief Executive Officer of Abu Dhabi Future Energy Company (Masdar), where he spearheads the company's development and strategic direction as it plays a prominent role in the renewable energy and clean technology sector. He is Chairman of Masdar's Investment Committee and board member of Shuaa Energy 2 PJSC (the company developing phase 3 of Mohammed Bin Rashid Al Maktoum Solar Park in Dubai). Before joining Masdar, he ran the internal audit and risks management function of Abu Dhabi Gas industries Limited (GASCO). He holds a Bachelor of Business Administration and Finance degree from the University of Evansville, USA.



**Mohammed Al Huraimel Alshamsi**  
Board Member

Mohammed Al Huraimel Alshamsi is Director of Utilities Investments in Mubadala, where he is responsible for the asset management function of Mubadala's Utilities portfolio, which includes thermal power, water, and district cooling assets. Prior to Mubadala, he was the director of Strategy and Policy at the UAE Prime Minister's Office. He has also held roles at McKinsey & Company, Dubai International Capital, and General Motors. He has an MBA from the HEC School of Management – Paris and a Bachelor's degree in Finance from the American University of Sharjah, UAE.



**Saeed Ali Khalfan Al Dhaheri**  
Board Member

Saeed Ali Khalfan Al Dhaheri, is Director of Investments at Ali & Sons Holding LLC. His current role at Ali & Sons Holding includes active management of the company's securities portfolio, whilst overseeing the company's real estate and hospitality division, as well as risk management of Ali & Sons and its subsidiaries. Previously, he was an Analyst at Abu Dhabi Investments Authority. He holds a Bachelor of Finance degree from the American University in Dubai, UAE.



**Sébastien Arbola**  
Board Member

Sébastien Arbola is the Chief Executive Officer of the Middle East, South and Central Asia and Turkey region for global energy leader, ENGIE. He leads ENGIE's operations and growth across the region, ranging from large scale power generation and water desalination to gas retail and distribution. Prior to that, he was the Chief Financial Officer and Senior Vice President of Suez Environment Asia, in charge of Finance, Tax, Legal, Internal Control, IT and Procurement for the Business Unit. He is a graduate of the Ecole Supérieure de Commerce de Paris.



**Frédéric Claux**  
Board Member

Frédéric Claux is currently the Head of Asset Management for the GCC and Pakistan at ENGIE, with over 18 years of experience at the company. He also serves as a non-executive board member of Les Eoliennes en Mer (offshore wind). He graduated from French civil engineering school Ecole Nationale des Ponts et Chaussées and holds an MBA from HEC business school in Paris.



**Frédérique Dufresnoy**  
Board Member

Frédérique Dufresnoy is the Chief Executive Officer of Flexco, an electro-mobility venture of ENGIE, a global energy leader. Prior to that she held various leadership positions at ENGIE including: Deputy Director of Decentralized Solutions for Cities, Director of Finance, Risks and International Development; and Chief Financial Officer of European operations. She holds a Master's degree in Business from Emlyon Business School and an MBA degree from the University of Texas in Austin.

#### 4(d) Board Remuneration

The AGA meeting may after setting aside 10% for the statutory reserve, and the shareholder dividend of a maximum of 10% of the capital, approve a percentage of up to 10% of the net profits to remunerate the Board of Directors.

Remuneration paid to the Board members, in aggregate, in 2018 and recommended to be paid in 2019, are as follows:

Sitting Fees and Remuneration	AED
Remuneration for 2017 paid in 2018 after approval at last AGA	7,125,000
Board and Committees sitting fees for 2018 recommended for payment in 2019	0
Remuneration recommended for 2018 to be paid in 2019 after approval at next AGA	7,125,000

#### 4(e) Board Meetings in 2018

The Board held 7 meetings in 2018 on the dates set out below:

- 30 January;
- 21 February;
- 25 April;
- 19 June;
- 1 August;
- 3 October; and
- 31 October.

Additionally, the Board of Directors passed the following two Circular Resolutions:

- On 19 August 2018 the Board resolved to convene a General Assembly meeting to consider a special resolution granting authority to the Board for a period of 12 months to issue sukuk(s) or bond(s) of up to an aggregate amount of 1 USD billion; and
- On 13 November the Board approved the Un-Audited Interim Accounts of the Company for the period ended 30 September 2018.

The following table shows the attendance of each member, or proxy, for the period in which they were elected to the Board:

Member	Meetings invited to attend in 2018	Attendance in person	Proxy attendance
<b>Khaled Abdulla Al Qubaisi</b>	7	6	1
Paulo Almirante	7	3	4
H.E. Dr. Ahmad bin Abdullah Humaid Belhoul Al Falasi	7	5	2
Mohammed Al Huraimel Alshamsi	7	6	1
Mohamed Jameel Al Ramahi	7	7	-
Sébastien Arbola	7	7	-
Frédérique Dufresnoy	7	6	1
Frédéric Claux	7	6	1
Saeed Ali Khalfan Al Dhaheri	7	7	-

#### 4(f) Board Terms of Reference

In line with good practice and governance, the Board provides strategic direction to the management team. The Board provides this direction by working with management to establish:

1. The appointment of the Chief Executive Officer and key executives;
2. Tabreed policies - which outline the principles that the Board expect Tabreed to operate within;
3. Board approved Delegation of Authority setting out the levels of approvals required by the Board;
4. Board approved strategic plans – with the growth, revenue and profit targets required by the Board and a reporting mechanism to feedback results;
5. A strong risk management and internal control environment;
6. The integrity of financial reporting;
7. Proper disclosure and communication with shareholders; and
8. A highly qualified and experienced senior management team.

Each element noted above contributes towards a balanced and effective internal control mechanism over Tabreed's activities which are, in turn, capable of being effectively monitored by the Board.

#### 4(g) Executive Management

The Tabreed Corporate Governance Procedures Manual and the Board approved Delegation of Authority clearly outline the role that the Board requires from Tabreed's management. Management's primary responsibilities cover the oversight of the day-to-day operations of Tabreed's business, strategic planning, budgeting, financial reporting and risk management.

Executive management consists of five Chief Officers. These positions together with other positions that report directly to the CEO, the incumbents, dates of appointment and remuneration received (or accrued) in 2018 (in AED) are outlined below.

Position	Fulfilled By	Appointment	Salary & Allowances in 2018 (AED)	2018 Bonus (AED)	Other/Future Remuneration for 2018
Chief Executive Officer	Jasim Husain Thabet	2012	2,247,249	1,485,594	0
Chief Financial Officer	Stephen Ridlington	2015	1,555,326	1,071,376	0
Chief Legal Counsel	Hamish Jooste	2011	1,303,175	624,595	0
Chief Operating Officer	Jean-François Chartrain	2017	1,287,342	0	0
Chief Development Officer	François-Xavier Boul	2017	1,409,895	0	0
VP, Human Resources	Ahmed Al Marzooqi	2015	1,611,964	474,158	0
VP, Regional Asset Management	Colin Stuart Sangster	2013	1,022,469	207,355	0
VP, HSE	Sabooh Asghar	2014	803,910	74,573	0
VP, Internal Control & Risk	Amanda Webb	2010	885,529	87,682	0
VP, Communications	Souad Al Serkal	2018	417,973	0	0

## 4(h) Related party transactions

Tabreed was not a party to any related party transactions during 2018 based on the definition of “Related Parties” set out in Resolution 7/2016.

## 4(i) Organisational Chart

The Organisational Chart of Tabreed is attached as Annex 2 in this Report.

## 5. EXTERNAL AUDITOR

Deloitte and Touch ME (Deloitte) were appointed as External Auditors for Tabreed at the Annual General Assembly on 7 March 2018, for a further one-year term. Tabreed selected Deloitte as the successful applicant pursuant to a competitive tender process issued by Tabreed in 2016 in respect of the auditing services mandate. Four major audit firms participated in the competitive process.

Deloitte is among the region’s leading professional services firms, providing audit, tax, consulting, and financial advisory services through 26 offices in 15 countries with more than 3,000 partners, directors and staff. Deloitte has been a Tier 1 Tax advisor in the GCC region since 2010 (according to the International Tax Review World Tax Rankings). It has received numerous awards in the last few years which include Best Employer in the Middle East, best consulting firm, and the Middle East Training & Development Excellence Award by the Institute of Chartered Accountants in England and Wales (ICAEW).

The scope of the audit for the 2018 financial year, as outlined in their engagement plan was to:

1. Provide an audit opinion on the annual consolidated financial statements in accordance with International Financial Reporting Standards;
2. Provide an audit opinion on the financial statements of all subsidiaries and associates of Tabreed in accordance with International Financial Reporting Standards; and
3. Provide a review of quarterly interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34.

The following table outlines the audit annual and quarterly related fees for Tabreed group companies for 2018:

External Auditor	Deloitte & Touch ME
Number of Years as External Auditor	3
Total audit fees for 2018	AED 662,028
Fees for additional work in 2018	AED 734,600
Nature of additional work	Issuance of Sukuk
Audit fees for additional work done in 2018 by auditors other than those appointed by Tabreed	None

Tabreed’s external auditors did not make any qualified opinion for the interim and annual financial statement for 2018.

## 6. AUDIT COMMITTEE

The role of the Audit Committee is outlined in the Board approved Charter of the Audit Committee and includes:

- Providing advice to the Board on the contracting of an External Auditor and ensuring that the External Auditor fulfils its contractual and professional obligations;
- Reviewing and endorsing the quarterly and annual accounts after consideration of accounting policies and standards, assumptions and judgements, compliance with laws and any significant or unusual matters;
- Continually assessing the systems for internal control and risk management;
- Considering the findings of the Internal Auditor and making recommendations on those findings;
- Developing procedures which allow employees to raise matters of concern regarding internal control or financial reports; and
- Reporting to the Board on activities of the Audit Committee.

The following table outlines the membership of the Audit Committee during 2018:

Member	2018 Term	Attendance in person	Proxy attendance
<b>Mohamed Jameel Al Ramahi</b>	From 21 Feb to 31 Dec	Chair	Independent, Non-Executive
	From 1 Jan to 20 Feb	Member	
Frédérique Dufresnoy*	From 1 Jan to 20 Feb	Chair	Non-Independent, Non-Executive
	From 21 Feb to 31 Dec	Member	
Saeed Ali Khalfan Al Dhaheri	From 1 Jan to 31 Dec	Member	Independent, Non-Executive

\* On 21 February 2018, Mohamed Jameel Al Ramahi replaced Frédérique Dufresnoy as Chairman of the Audit Committee in accordance with Resolution 7/2016 with Frédérique Dufresnoy continuing as a member in the Committee.

The Audit Committee met 4 times, on the following dates, during 2018:

- 29 January;
- 24 April;
- 31 July; and
- 30 October.

The following table shows the attendance of each member for 2018:

Member	Meetings invited to attend in 2018	Attendance in person	Proxy attendance
<b>Mohamed Jameel Al Ramahi</b>	4	4	-
Frédérique Dufresnoy	4	4	-
Saeed Ali Khalfan Al Dhaheri	4	4	-



## 7. NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee (“NRC”) is to assist the Board in the efficient management of compensation and general human resources management. The key responsibilities of the NRC are outlined in the Board-approved Charter of the NRC and include:

- Verifying the ongoing independence of the independent members of the Board;
- Regulating and overseeing nomination to the membership of the Board;
- Setting and reviewing Tabreed’s human resources policies and procedures;
- Formulating and reviewing, on an annual basis, the framework and broad policy for granting remuneration, terms of employment and any changes, benefits, bonuses, pensions, allowances, gratuities, early retirement and redundancy made to or given to Tabreed’s employees, senior management, as well as compensation for Tabreed’s Chairman and Board of Directors;
- Ensuring that suitable succession plans are in place at senior executive levels; and
- Reviewing and approving the hiring and termination of senior management staff.

The following table outlines the membership of the NRC during 2018:

Member	2018 Term	Role	Status
<b>H.E. Dr. Ahmad bin Abdullah Humaid Belhoul Al Falasi</b>	From 1 Jan to 31 Dec	Chairman	Independent, Non-Executive
Mohammed Al Huraimel Alshamsi	From 1 Jan to 31 Dec	Member	Independent, Non-Executive
Sébastien Arbola	From 1 Jan to 31 Dec	Member	Non-Independent

The NRC met twice, on the following dates, during 2018:

- 14 February; and
- 13 November.

The following table shows the attendance of each member for the period in which they were elected to the NRC:

Member	Meetings invited to attend in 2018	Attendance in person	Proxy attendance
<b>H.E. Dr. Ahmad bin Abdullah Humaid Belhoul Al Falasi</b>	2	2	-
Mohammed Al Huraimel Alshamsi	2	2	-
Sébastien Arbola	2	2	-

## 8. OTHER COMMITTEES APPROVED BY THE BOARD

### a) Finance Committee:

The duties of the Finance Committee are outlined below:

- Review and endorse the Company’s five year business plans, annual budgets and capital plans, including providing input into performance targets for management;
- Review and endorse all Investments and Commitments in excess of the authority delegated to the Chief Executive Officer;
- Track and monitor company financial performance and financial health including providing input into performance reviews for the Company;

- Review the financial funding plan of the Company to ensure its adequacy and soundness in providing for the Company’s operational and capital requirements, and recommend to the Board, changes in capital structure as need be, including review of the Company’s debt and equity structure;
- Review and make recommendations concerning the Company’s dividend policy;
- Review proposed major financing activities;
- Review the investment strategies for the Company’s cash balances; and
- Review, monitor and recommend action on financial risk management including hedging of currency, commodity price and interest rate risk.

The following table outlines the membership of the Finance Committee during 2018:

Member	2018 Term	Role	Status
<b>Mohammed Al Huraimel Alshamsi</b>	From 1 Jan to 31 Dec	Chairman	Independent, Non-Executive
Frédéric Claux	From 1 Jan to 31 Dec	Member	Non-Independent
Saeed Ali Khalfan Al Dhaheri	From 1 Jan to 31 Dec	Member	Independent, Non-Executive

The Finance Committee met 7 times, on the following dates, during 2018:

- 21 January;
- 29 January;
- 19 April;
- 22 July;
- 3 September;
- 30 September; and
- 30 October

The following table shows the attendance of each member for the period in which they were elected to the Finance Committee:

Member	Meetings invited to attend in 2018	Attendance in person	Proxy attendance
<b>Mohammed Al Huraimel Alshamsi</b>	7	7	-
Frédéric Claux	7	7	-
Saeed Ali Khalfan Al Dhaheri	7	7	-

### b) Projects Committee:

The duties of the Projects Committee are outlined below:

- Review Tabreed’s HSE performance and make recommendations as appropriate;
- Review policies and procedures related to projects and procurement;
- Review project ideas and conceptual studies;
- Review alternative cooling technologies and related feasibility studies scope, conclusion and recommendations; and
- Review the major delivery aspects of all new projects, including scope of work, execution strategies, selection of bidders, key project management items, material contractual activities and changes in the regulatory or New regulations, policies, guidelines and other developments legal framework which could have a material impact on the Company’s performance.

The following table outlines the membership of the Projects Committee during 2018:

Member	2018 Term	Role	Status
<b>Frédéric Claux</b>	From 1 Jan to 31 Dec	Chairman	Non-Independent, Non-Executive
Mohammed Al Huraimel Alshamsi	From 1 Jan to 31 Dec	Member	Independent, Non-Executive
Sébastien Arbola	From 1 Jan to 31 Dec	Member	Non-Independent, Non-Executive

The Projects Committee met 2 times on the following dates, during 2018:

- 9 May; and
- 5 September

The following table shows the attendance of each member for the period in which they were elected to the Finance Committee:

Member	Meetings invited to attend in 2018	Attendance in person	Proxy attendance
<b>Frédéric Claux</b>	2	1	1
Mohammed Al Huraimel Alshamsi	2	2	-
Sébastien Arbola	2	2	-

## 9. INSIDER INFORMATION AND DEALINGS COMMITTEE

Pursuant to the requirements laid down in Resolution 7/2016, Tabreed formed the Insider Information and Dealings Committee that regulates transactions and holdings of Tabreed shares by Board members and employees of Tabreed. The Insider Information and Dealings Policy was approved by the Board on 22 February 2017. Following approval by the Board of the Policy, the Insider Information and Dealings Committee operated in accordance with the approved Policy. The following table shows the Committee members during 2018:

Member	Date of appointment	Role
<b>Hamish Jooste</b>	February 2017	Chairman
Amanda Webb	February 2017	Member
Richard Rose	February 2017	Member

During 2018 the committee resolved to maintain insider lists for various price sensitive matters and to operate in accordance with the Market Conduct and Securities Trading Policy and the Insider Information and Dealings Policy.

## 10. INTERNAL CONTROL SYSTEM

Pursuant to Article 50 of Resolution 7/2016, Tabreed's Internal Control function has been established by the Board to provide independent, objective and authoritative advice as well as assurance over the internal control environment to the Board, Audit Committee and Management, to assist them in discharging their functions and duties. The Board of Directors acknowledges responsibility for regularly reviewing the effectiveness of the Internal Control function of the Company.

The Internal Control function reports to the Board and operates under the stewardship of the Audit Committee. This enables the Internal Control function to operate in an independent and objective manner. The role of the Internal Control function is to assist management in meeting their responsibility to:

- Adopt a good practice governance model;
- Develop a strong internal control environment;
- Recognise and manage risks; and
- Comply with laws, regulations and policies.

The designated Internal Control Officer for 2018 was Amanda Webb who was appointed on 20 January 2015 and is a Chartered Accountant (certified from the Institute of Chartered Accountants in Ireland), a Certified Internal Auditor she is also a Certified Fraud Examiner. Amanda has extensive experience in risk management, internal controls, auditing, governance, external audit, financial analysis, financial planning and project planning. The Internal Control Officer reports directly to the Audit Committee. For the purposes of Resolution 7/2016, Amanda Webb was also the duly appointed Compliance Officer of the Company for 2018.

The annual review of Internal Controls, as is required under Article 50 of Resolution 7/2016, was completed by the Board for 2018. The Board met its internal control responsibilities in 2018 by reviewing presentations on risk management, discussing control issues at Board meetings and reviewing the detailed reports from Board Committees, and found that the internal control environment was satisfactory for 2018. During 2018, the Company did not face any major issue requiring disclosure in any Report or to the Market.

## 11. IRREGULARITIES IN 2018

Tabreed confirms that it is compliant with Resolution 7/2016 on Corporate Discipline and Governance Standards and that no irregularity occurred during the course of 2018.

## 12. CORPORATE SOCIAL RESPONSIBILITY: CODE OF CONDUCT, HEALTH, SAFETY AND ENVIRONMENT, LOCAL COMMUNITY DEVELOPMENT

Tabreed's approach to corporate social responsibility involves adopting business practices that, in addition to being compliant with applicable legal and regulatory requirements, are based on ethical values and respect for the immediate community and stakeholders of the Company (being employees, customers, partners, investors, suppliers, vendors, government and the environment).

Beyond providing sustainable and environmentally friendly cooling services Tabreed, is conscious about its environmental and social impact and understands the increasing expectations of the stakeholders in respect of conducting its business. Consequently, Tabreed has chosen to be socially responsible and to contribute as a sustainable business to promote positive impact in the community.

In light of the above, Tabreed has developed a Code of Conduct which sets out internal rules and requirements for:

- Improper payments;
- Market misconduct;
- Prevention of fraud, and money laundering;
- Entertainment and gifts;
- Working with stakeholders, suppliers and government;
- Serving the community; and
- Sustainability and corporate social responsibility

Tabreed's Code of Conduct sets out the framework, values, principles and standards by which we expect all our employees to abide by when dealing with vendors, customers, contractors and other external stakeholders, as well as when dealing with colleagues, affiliates, subsidiaries and internal departments.

Tabreed is committed to promoting a positive health, safety and environment (HSE) culture in the Company. In 2018, the Company continued to build on strong initiatives from previous years to sustain continuous improvement in HSE systems and processes, and further cement management's commitment to all stakeholders:

- Further improvement of the corporate HSE Management System manual and implemented selected procedures and guidelines across Tabreed;
- Launched Automated Incident Reporting System (AIRS) to: (i) ensure consistency in reporting and (ii) efficiently closing loop on the reported incident and recommended corrective actions;
- Phase-wise installation of Electronic Display Screens (EDS) at Tabreed plants to: (i) increase the level of awareness amongst the workers on regular basis on all Tabreed matters (HSE, HR, Communication, and Code of Conduct etc.) and (ii) enhance the visibility of HSE messages to the workers;
- Launched Tabreed's Employee Behavioral Observation (EBO) program as part of initiatives under behavioral-based safety;
- Conducted in-house HSE training sessions: (a) HSE Management System; (b) HSE Risk Management; (c) Chemical Safety;
- Conducted refresher training sessions on Permit to Work system across all Tabreed Plants in UAE;
- Continued processing of approval/renewal of environmental permits, environment clearances, civil defense licenses and waste reduction plans from concerned authorities;
- HSE awareness campaigns, including HSE day events, with a special focus on Tabreed's operation and maintenance personnel;
- HSE incentives, such as HSE Awards for hazard and near-miss reporting outstanding HSE performance/compliance; and
- Monthly HSE themes, tips and HSE performance dashboards.

The Company complies with all applicable UAE health, safety and environmental laws and regulations and has received specific permits from the UAE Environment Agencies in each applicable Emirate. Tabreed's certifications for ISO 14001:2015 (Environment Management System), ISO 9001:2015 (Quality Management System) and OHSAS 18001:2007 (Occupational Health and Safety Management System) standards were renewed during 2018 following a Baseline Audit. In 2018/19, Tabreed strengthened its compliance to international standards by pursuing ISO 50001 certification for the development and implementation of an effective Energy Management System.

In relation to effluent water release and emissions into the air:

- Environmental clearance (EC) was successfully obtained from the Dubai Municipality for all Tabreed's plants located in Dubai; and
- Tabreed obtained permits for effluent water release from the respective Municipalities after undertaking to control certain parameter requirements such as acidity and conductivity of the effluent. These permits are initially obtained during plant construction and are issued by the relevant environmental agency or authority of each Emirate. The permits are generally renewable each year.

Tabreed continued to comply with relevant UAE Federal / local authorities by enforcing its Waste Management Reduction Plan, with the following key objectives:

- To protect the environment; and
- To minimize / reduce waste materials through prudent waste management program.

The Plan applies to all Tabreed's plants, project sites and offices.

As a utility company, Tabreed is responsible for providing an essential service that maintains the comfort and well-being of the community receiving the service. Tabreed takes this role very seriously and we ensure that our services are operating at high efficiency and reliability. Our relationship with the local community is therefore very important to Tabreed and we constantly seek ways to enhance that relationship.

Finally, in relation to community engagement, Tabreed seeks, from time-to-time, and when feasible, to sponsor different activities that benefit the community. In the past, these activities have ranged from blood donation drives to "clean-up the UAE" campaigns. The decision criteria to take part in any sponsorship activity include (but are not limited to) the benefit we believe these activities bring to the community, available funding, and applicability to Tabreed.

## 13. GENERAL INFORMATION

### 13(a) Share Price:

The following table presents the highest and lowest share price for each month during 2018 showing the market index and sector index as of 31 December 2018:

	Share Price (AED)		Market Index	Sector Index	Closing Price	Share Performance	
	Highest	Lowest				VS Market	VS sector
January	2.000	1.800	3394.36	717.01	1.800	-2%	-1%
February	1.840	1.660	3244.12	706.75	1.790	4%	1%
March	1.810	1.500	3108.53	628.52	1.550	-9%	-2%
April	1.830	1.530	3065.96	670.2	1.760	15%	7%
May	1.800	1.660	2964.13	660.52	1.680	-1%	-3%
June	1.780	1.610	2821	619.76	1.660	4%	5%
July	1.880	1.600	2955.95	638.05	1.850	7%	8%
August	1.880	1.630	2840.16	615.29	1.650	-7%	-7%
September	1.680	1.510	2834.95	579.57	1.570	-5%	1%
October	1.710	1.490	2784.6	605.79	1.700	10%	4%
November	1.720	1.510	2668.66	555.67	1.510	-7%	-3%
December	1.730	1.450	2529.75	604.72	1.730	20%	6%

Source: Dubai Financial Market as of 31 December 2018

### 13(b) Shareholder Ownership

Shareholder Ownership as at 31 December 2018 is as follows:

	% Ownership	Individuals	Companies	Government	Institution	Banks
Arab	0.67	0.614	0.05	0	0	0.001
GCC	2.32	1.08	1.21	0	0	0.0122
UAE	52.78	4.79	47.75	0.02	0.006	0.21
Others	44.23	0.366	43.85	0	0	0.009

Source: Dubai Financial Market as of 31 December 2018

### 13(c) Ownership - 5% or More

Shareholders who own 5% or more of the share capital as at 31 December 2018 are:

Name	% Ownership
GDF International	40.00
General Investments FZE	38.21

Source: Dubai Financial Market as of 31 December 2018

### 13(d) Shareholders ownership distribution

Member	Shares owned	No. of Shareholders	No. of shares held	% of the shares owned
1	Less than 50,000	18,510	37,414,699	1.38
2	From 50,000 to less than 500,000	357	54,925,988	2.02
3	From 500,00 to less than 5,000,000	97	142,055,936	5.23%
4	More than 5,000,000	23	2,481,132,501	91.37%
Total		18,987	2,715,529,124	100.00%

Source: Dubai Financial Market as of 31 December 2018

### 13(e) Investor Relations

For the purposes of Article 35 of Resolution 7/2016, the officer in charge of investors' relations and shareholder communications for the Company is Souad Al Serkal (available at email address: salserkal@tabreed.ae), or IR@tabreed.ae). Further information in relation to investor relations is available in the "Investor Relations" section of Tabreed's website: www.tabreed.ae.

### 13(f) General Assemblies; Special Resolutions:

Tabreed conducted two general assemblies during 2018 on the dates set out below:

- 7 March 2018 (Annual General Assembly) where no special resolutions were passed
- 28 September 2018 (General Assembly) where the following special resolution was passed approving the issuance of non-convertible (into shares) bond(s) or sukuk(s) of up to USD 1 billion (or equivalent), and authorizing the Board of Directors to determine a date of such issuance and agree the timing and relevant terms of any such issuance(s).

### 13(g) Board Secretary

Hamish Jooste is the Board Secretary of Tabreed appointed on 28 April 2014.

### 13(h) Significant Events during 2018

Date	Event
23 January	Tabreed and the Masdar Institute of Science and Technology, a part of the Khalifa University of Science and Technology, announced the successful completion of a 3-year research and development (R&D) pilot project to deliver energy efficiency through enhancing operational performance in district cooling plants.

Date	Event
31 January	Tabreed released its audited 2017 financial results. The Company ended the year with a robust performance, adding 43,900 RT to its cooling capacity across the GCC in 2017. Tabreed posted 9% percent higher net profit, reaching AED 400.1 million. Based on the strong results, Tabreed's Board of Directors recommended increasing cash dividends for 2017 to 8 fils per share (up from 6.5 fils per share for 2016).
7 March	The annual general meeting of Tabreed which was chaired by Khaled Abdulla Al Qubaisi, Tabreed's Chairman, and attended by Tabreed's Board of Directors, shareholders, and the company's senior leadership team approved a dividend of 8 fils per share for the financial year 2017. It represented a 23% increase on the dividend paid out in 2016, driven by the company's robust performance in 2017.
13 March	Tabreed announced the acquisition from Aldar Properties PJSC ('Aldar') of 50% of the shares in S&T Cool District Cooling Company LLC ('S&T'), a major district cooling provider on Reem Island in Abu Dhabi. Tabreed owns 100% of the company following completion of the transaction.
26 April	Tabreed released its 2018 first quarter consolidated financial results. The company continued to deliver strong and consistent performance from its 72 district cooling plants across the GCC, which delivered almost 1.1 million refrigeration tons (RT) of cooling capacity to customers.
3 May	Tabreed announced the acquisition of a significant stake in its associate Saudi Tabreed by the Islamic Development Bank Infrastructure Fund II managed by ASMA Capital Partners. Saudi Tabreed is the investment vehicle of Tabreed in Saudi Arabia held jointly with ACWA Holdings, the Al Mutlaq Group and LAMA Holding. Saudi Tabreed provides 79,000 refrigeration tons (RTs) of cooling to its Aramco and Jebel Omar projects and operates a further 130,000 RT through O&M projects across the Kingdom.
2 August	Tabreed released its consolidated financial results for the first half of 2018. The company continued to meet the region's growing demand for district cooling and deliver solid performance and growth.
27 September	Tabreed held a general assembly meeting of Tabreed which was chaired by Khaled Abdulla Al Qubaisi, Tabreed's Chairman, and attended by Tabreed's Board of Directors, shareholders, and the company's senior leadership team which approved the granting of authority to the Board to issue non-convertible bond(s) or sukuk(s) of up to US\$ 1 billion for a period of 12 months.
30 October	Tabreed announced it has successfully raised US\$500 million (AED 1.8 billion) with a fixed rate senior unsecured US dollar denominated RegS sukuk with a 7 year tenure. The issue followed a series of fixed income investor meetings which took place in Europe and Asia, as well as in the United Arab Emirates.
14 November	Tabreed released its consolidated financial results for the first nine months of 2018. It has reported a 10% increase in net profit to AED 319.3 million for the year up to 30 September, compared with the same period in 2017, mainly driven by the acquisition in March of S&T Cool, a district cooling provider on Reem Island in Abu Dhabi, as well as income in May from a partial sale of Saudi Tabreed following the investment by the IDB Infrastructure Fund II.

### 13(i) Emiratization percentage during 2018

Tabreed holds Emiratization levels of 39% of the total headcount in respect of Tabreed's corporate operations.

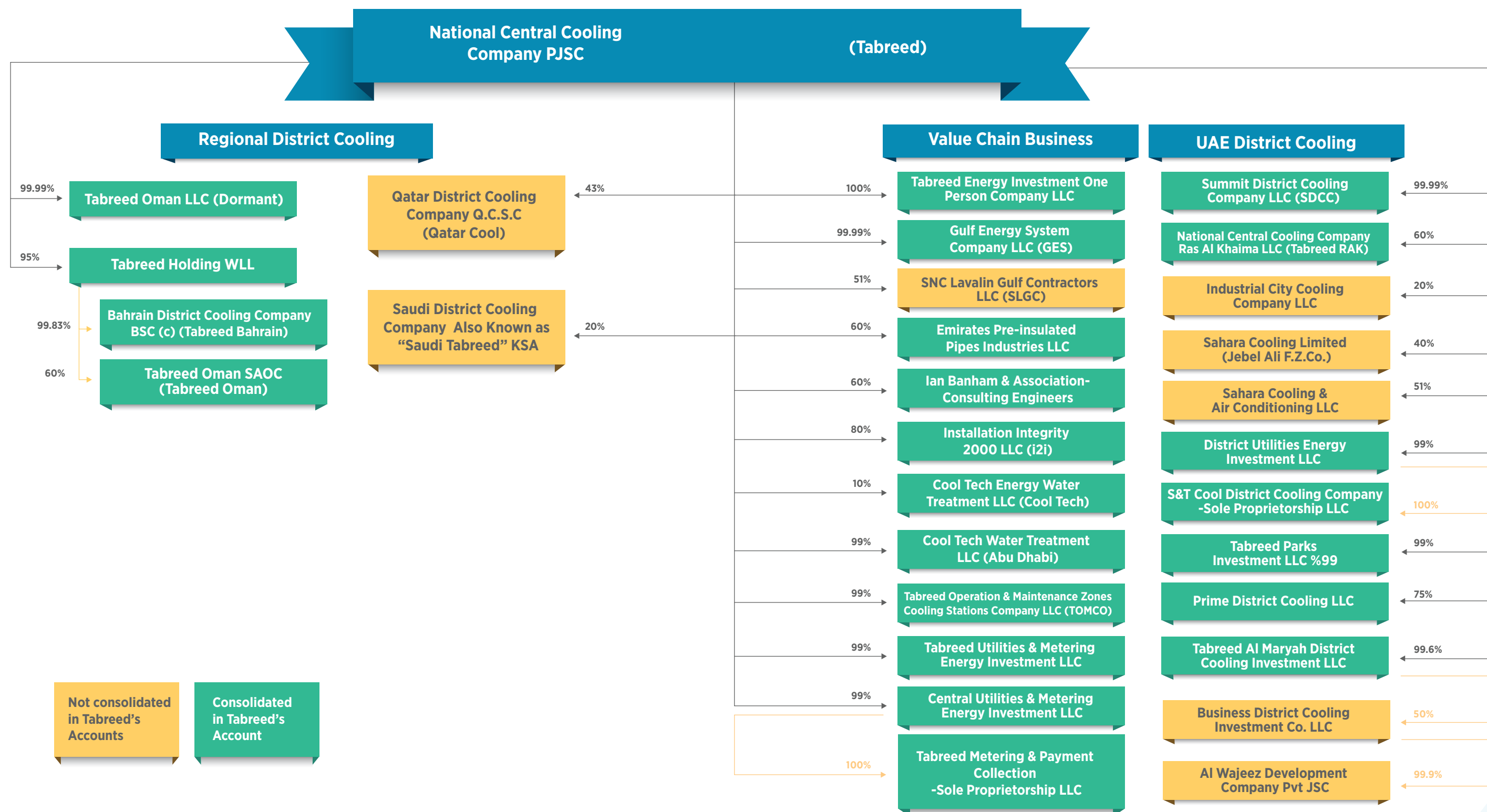


### 13(j) Innovative Projects

During the course of 2018, Tabreed initiated an innovative project to develop a centralized operational database and control system to improve the performance of its operational assets and to enhance its operations management capabilities. The project resulted in the creation of a central monitoring facility supervised by a team of qualified performance engineers supported by the most efficient data management solutions available in the industry.

In addition, in January 2018, Tabreed and the Masdar Institute of Science and Technology, a part of the Khalifa University of Science and Technology, announced the successful completion of a 3 year research and development (R&D) pilot project to deliver energy efficiency through enhancing operational performance and reducing energy consumption in district cooling plants. This project, known as 'Optimal Chiller Plant Control', involved the development and operation of a proprietary next-generation digital 'smart controller' capable of intelligently managing district cooling plants to improve operational performance by decreasing energy consumption. The project was conducted at Tabreed's district cooling plant in Mohammed bin Zayed City, Abu Dhabi, creating a prototype for an optimal control system which was implemented following various testing phases. The smart controller demonstrated advanced capability in operational performance and is expected to help generate savings at the plant of 1,000 megawatt-hours per year and 27 million gallons of water per year.

# APPENDIX ONE: CORPORATE STRUCTURE CHART AS OF DECEMBER 2018





# ORGANIZATIONAL CHART

## AS OF DECEMBER 2018

