

Governance & leadership

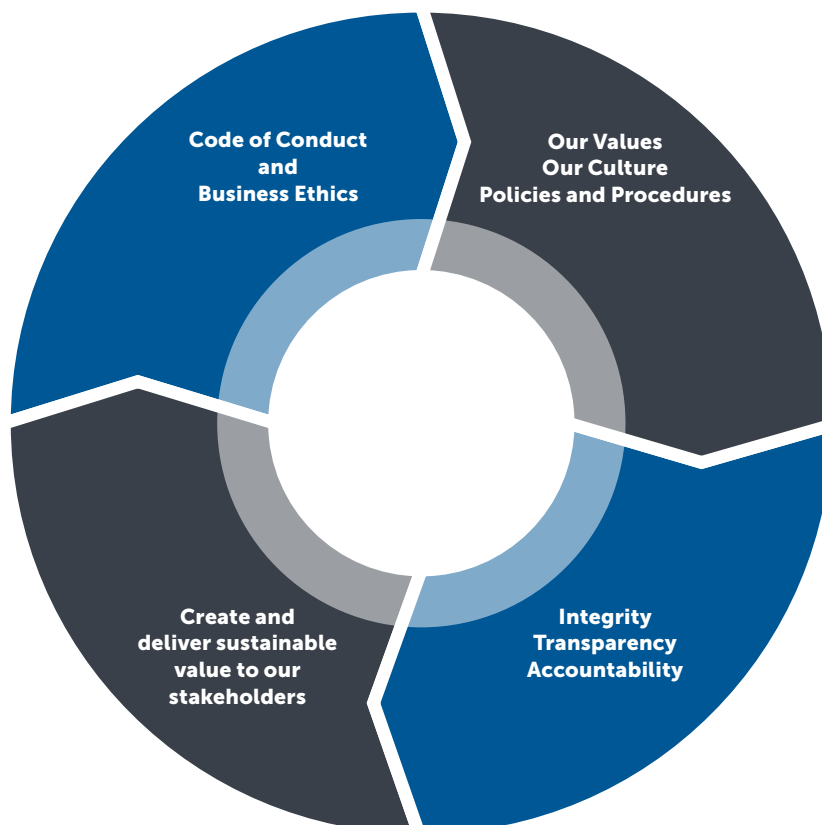
At ACWA Power, we seek to set the bar for others to follow in terms of governance. Going beyond adhering to the statutory and regulatory requirements, our approach is focused on adopting voluntary practices that reinforce our governance philosophy to deliver the highest levels of sustainable value to our shareholders.

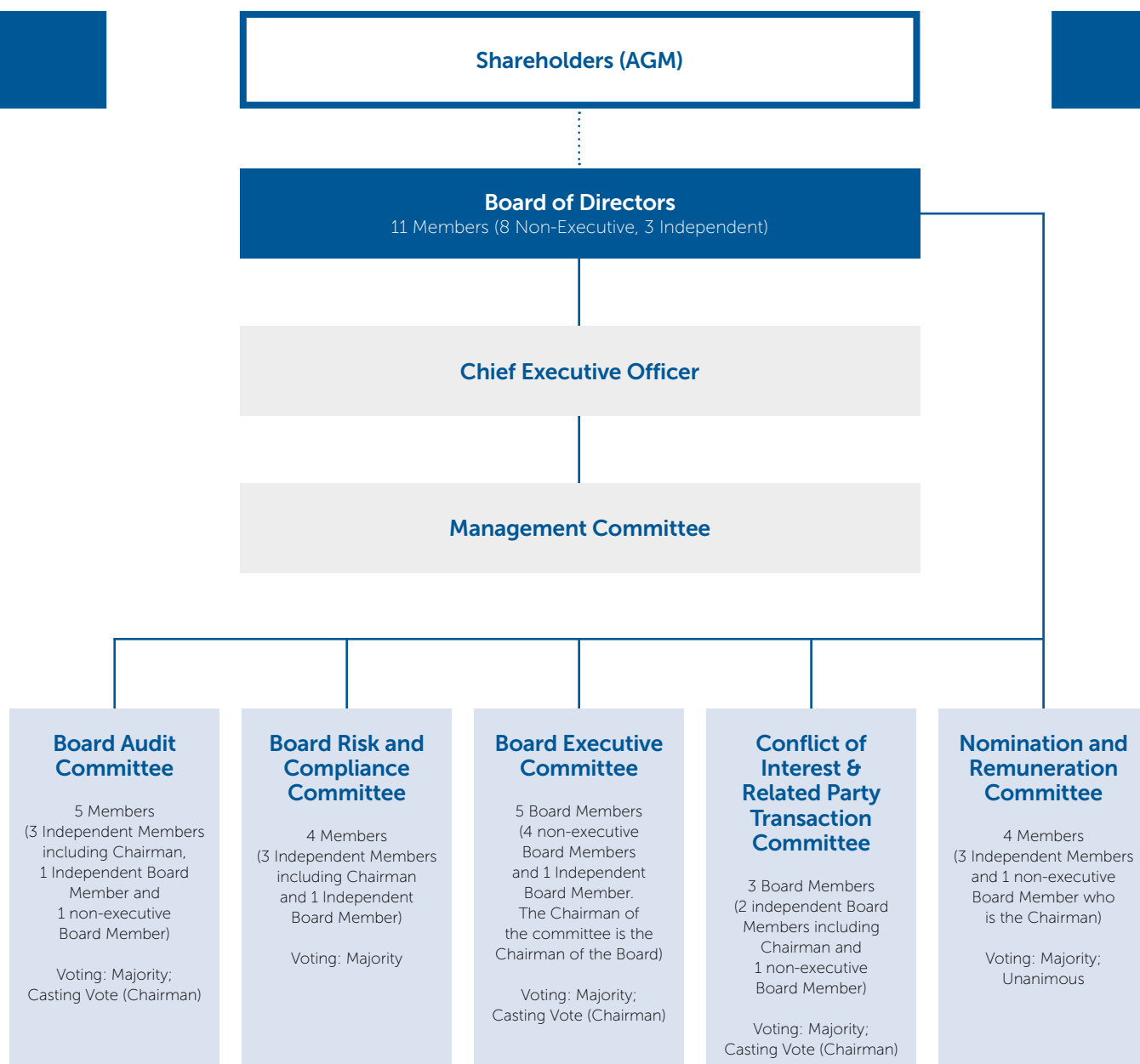
CORPORATE GOVERNANCE PHILOSOPHY AND STRUCTURE

ACWA Power's corporate governance philosophy reflects our values-driven culture, and our people – including our Board of Directors, the management team and staff – embrace each of their rights and responsibilities diligently. This has successfully maintained the value we have been creating for our shareholders, while protecting the interests of other stakeholders and the communities in which we operate, ensuring we build a sustainable future for all.

The Code of Conduct and Business Ethics sets out ACWA Power's values, ethics and business principles, and serves as the ethical road map for the Group, its Directors and its employees. The code includes the Company's anti-bribery and anti-corruption policies, and explains how any concern related to non-adherence to the code shall be reported.

Guided by this code, our values and culture instil the highest levels of integrity, transparency and accountability in delivering sustainable value, while ensuring we gain and retain the trust of our shareholders and other stakeholders, including the communities in which we operate. Internal audit, risk management and internal control processes reinforce the framework to ensure compliance with progressive governance standards.





GOVERNANCE STRUCTURE

Our corporate governance structure is built around a Board of Directors, elected by the General Meeting of the Shareholders, and five functional Board Committees, each of which is responsible for reviewing the Company's operations within the context of their specific expertise, conducting voting decisions of their own on various matters before returning to the Board.

The Management Committee (MC), consisting of the President & Chief Executive Officer (CEO) appointed by the Board of Directors, Chief Investment Officer (CIO), Chief Financial Officer (CFO), Chief Portfolio Management Officer, Chief Technology Officer and the Chief People & Culture Officer, leads, supervises and controls the Company with oversight and guidance from the Board of Directors and the board committees.

CORPORATE GOVERNANCE REPORT CONTINUED

ANNUAL BOARD OF DIRECTORS REPORT FOR THE FINANCIAL YEAR 2019

Dear Esteemed Stakeholders of ACWA Power,

The Board of Directors is pleased to present the Annual Report and audited financial data of the International Company for Water & Power Projects (ACWA Power and/or The Company) for the year ended 31 December 2019 referred to as the 'current year'.

GENERAL

ACWA Power is a Saudi joint stock company established pursuant to a ministerial resolution numbered 215 dated 2 Rajab 1429H (corresponding to 5 July 2008) and is registered in Riyadh, Kingdom of Saudi Arabia, under commercial registration number 1010253392, dated 10 Rajab 1429H (corresponding to 13 July 2008). The Company and its project companies, collectively 'the Group', are engaged in (i) the development, acquisition, leasing, operation, and maintenance of power generation, steam production and desalinated water production plants; (ii) the sale of electricity and desalinated water; and (iii) other related or auxiliary businesses activities.

FINANCIAL RESULTS

In 2019, ACWA POWER posted **SAR 1,881 million** operating income before impairment loss and other expenses. Although this still represents a modest **3%** increase over 2018, the growth becomes more remarkable **31%** when a certain one-time gain is excluded from 2018. Net profit attributable to equity holders in 2019 was **SAR 1,174 million**. ACWA Power demonstrated a satisfactory liquidity position through 2019 with 31 December 2019 consolidated cash and cash equivalents balance standing at **SAR 2,798 million** along with additional unutilised revolving facility of **SAR 1,286 million**. This strong financial performance is a testament to the Company's resilience and ability to create sustainable value for all stakeholders by delivering power and water reliably and responsibly at low cost, while contributing to the communities in which we operate.

KEY ACCOMPLISHMENTS IN YEAR 2019

The number of assets in our portfolio increased by eight (8) hence bringing the total assets to fifty six (56), including advanced development projects, as of 2019 year-end. The total gross power generation and water desalination capacity reached 30.9GW and 5.3 million m³/day, respectively, inclusive of assets under construction and in advanced development. At 4.6GW, renewable assets represented fifteen percent (15%) of ACWA Power's power generation capacity – taken at gross project cost, share of renewables has been twenty five percent (25%). As of 31 December 2019, forty (40) assets were operational, reliably and responsibly delivering 20.5GW power and 2.7 million m³/day desalinated water.

Notable key highlights from the year 2019 include:

Expansion and Rationalisation:

- The Company continued to expand geographically, stepping into Ethiopia, Azerbaijan and Uzbekistan. In Ethiopia, the Company signed two long-term PPAs to develop 250 MW of solar projects. Following successful completion of discussions in 2019, the Company signed implementation agreements at the beginning of 2020 in Azerbaijan and Uzbekistan for construction, development and operation of a 240MW wind farm and a 1,500 MW combined-cycle gas turbine (CCGT) power plant, respectively;
- We signed a joint venture agreement with Air Products and Saudi Aramco to invest in and operate the Jazan Integrated Gasification and Combined Cycle Power Plant in Saudi Arabia with a total investment value of approximately SAR 43.1 billion;
- In October 2019, the Company increased its effective shareholding in RAWEC from 74 to 99 percent by acquiring a controlling 25 percent stake;
- We divested 49 percent of some of our non-Saudi renewable assets by bringing China's Silk Road Fund as a strategic, jointly controlling equity partner in the new joint venture company ACWA Power Renew Co.;
- We signed a binding agreement to sell our entire stake in ACWA Power CF Karad PV Park EAD (including NOMAC Bulgaria) in Bulgaria to an Austrian investor and project developer in the renewable energy sector. Legal formalities with respect to disposal were not completed as of 31 December 2019.

Project Development and Operational Performance:

- In our home market Saudi Arabia, we completed two projects, namely Sakaka PV IPP and Shuaibah 2 IWP. At 300MW contracted capacity, Sakaka is the first and largest utility-scale renewable energy plant in the Kingdom;
- In the UAE, we achieved financial close of the Taweelah IWP, the world's single-largest IWP, following the financial close of Noor Energy 1, the world's largest single-site concentrated solar power plant;
- Leaping forward in application of digitalisation through machine learning, internet of things and artificial intelligence, we significantly upgraded operational and maintenance capabilities of NOMAC;
- Overall plant availability for power and water has been 90 and 94 percent, respectively – well above contractual threshold limits but slightly lower than our internal targets on account of unplanned shutdowns;
- In December 2019 for the first time in our history, NOMAC crossed 15 million safe man-hours in all operational power and water plants;
- We took impairment charges on two of our assets, Barka SAOG PWPA in Oman and Bowarege WPA. Whilst the former was on the grounds of re-assessment of post-PWPA revenues, the latter was due to expiry of WPA with failed attempts for renewal since 2017;
- Debt servicing of ACWA Power's maiden '144A-RegS ACWA 39 SAR 3,053 million (US \$814 million) 5.95% Senior Secured Bonds due 2039' continued with a total of SAR 181.6 million (US \$48.4 million) interest payment to the bondholders in 2019. ACWA 39 currently has two investment-grade ratings – Fitch's 'BBB-' and Moody's 'Baa3', both with 'Stable' outlook;

- An organisational transformation program, Project Galvanize, was initiated to ensure a fit for purpose operating model and associated organisation structure to sustain the Company's ambitious growth, overall competitive advantage through integration and the capitalisation of unrealised synergies.

COVID-19:

- As the outbreak of Novel Coronavirus (COVID-19) continues to progress and evolve, the Company continues to adhere to government guidelines commensurate with several precautionary measures across our landscape of operations, construction sites and offices. Although there has been no business interruption in any of our plants due to the outbreak as of the date of this report, and we have additional contingency measures in place to maintain operations and construction even in further-escalated conditions, the extent and duration of business and economic impact remains uncertain and is dependent on future developments that cannot be accurately predicted at this time. On the other hand, in response to the preventive measures taken by Saudi leadership and official local authorities to contain the impact of the ongoing COVID-19 pandemic and to secure the health and safety of the citizens and residents of the Kingdom of Saudi Arabia, ACWA Power has pledged a contribution of SAR 50 million to support national health endeavours and efforts.

Subsequent Event:

- International Finance Corporation (IFC), who held 4.302 percent of ACWA Power' shares as of the 31 December 2019, transferred their shares in full to the Public Investment Fund of the KSA (PIF) as of the 13 May, 2020. As such, IFC has authorised ACWA Power to transfer their shares to the PIF and to update the share register accordingly.

SHAREHOLDERS' GENERAL ASSEMBLY

An ordinary general assembly meeting was held on 14 July 2019 and an extraordinary general assembly meeting (EGM) on 30 September 2019. The agendas of the respective meetings are provided below:

Ordinary General Assembly:

1. Voting to approve auditor's report for the financial year ended 31/12/2018.
2. Voting to approve Board report for the financial year ended 31/12/2018.
3. Voting to approve Board's Audit report for the financial year ended 31/12/2018.
4. Voting to approve the financial statements for the financial year ended 31/12/2018.
5. Voting to approve the appointment of Ernst & Young (E&Y) as the Company's external auditor for the year ending 31 Dec 2019, to audit the Company accounts against a fee of SAR 595,375 (for statutory and special purpose zakat financial statements) and the reappointment of E&Y and Deloitte as the Zakat and Tax Advisors for the year 2019 and to authorise the Board to pay the proposed fees of SAR 1,384,793.
6. Voting to approve the remuneration of the members of the Board of Directors for the financial year 2018 as reflected in the Board report amounting to SAR 4,340,000.
7. Voting to approve the distributed dividends paid from open retained earnings being SAR 235,107,130 for the financial year ending 31/12/2018.
8. Voting to approve the remuneration of the Board Audit Committee for the financial year 2018, for a total amount of SAR 510,000.
9. Voting to approve the appointment of the members of the Board of Directors for the new term starts on 05 July 2019, for a three year period and ratify the Board of Directors resolutions 'if any' issued during the period from the 5 July 2019 up to the 14 July 2019, (Nominees list is attached).
10. Voting to approve the delegation of authority to the Board of Directors to distribute interim dividends for the year 2019.
11. Voting to approve the discharge of the members of the Board of Directors from liability for the financial year ended 31/12/2018.
12. Voting to approve the Board Audit Committee Charter.
13. Voting to approve the appointment of Mr. Abdullah Al Rowais as BAC member replacing Dr. Ammr Kurdi, effective 08 May 2019.
14. Voting to recommend the appointment of the Members of the Board Audit Committee for the new board term, commenced on 05 July 2019 for a three year term.
15. Voting to approve the related party transactions in accordance with Article(71) of the Companies Law on the following transaction:

The transaction: Jazan Integrated Gasification and Power project (IGCC) owned partially by ACWA Power.

Related party: Vision International Investment Company (Vision Invest) as a shareholder of ACWA Power.

Conflict of Interest: Vision Invests indirect ownership in Air Product Qudra that owns 9 percent of IGCC.

The following Board Directors of ACWA Power have direct or indirect conflict of interest as result of the related party transaction and did not participate in the voting:

- Mr. Mohammad A. Abunayyan
- Mr. Sulaiman A. Al Muhaidib
- Mr. Rasheed A. Al Rasheed
- Mr. Omar Almidani

CORPORATE GOVERNANCE REPORT CONTINUED

Extraordinary General Assembly:

- Voting to approve the amendments to the Company's by-laws as follows:
 - Article (7) Capital;
 - Article (8) Subscription and Shares;
 - Article (14) Increasing the Capital;
 - Article (16) Issuance of Deeds;
 - Article (17) Management;
 - Article (20) Powers of the Board of Directors;
 - Article (27) Executive Committee of the Board of Directors;
 - Article (28) Committee of Conflict of Interest & Related Party Transaction;
 - Article (31) Issuance of the Board decisions;
 - Article (42) Issuance of shareholders' decisions;
 - Article (53) Distribution of profits.

BOARD OF DIRECTORS

The Board of Directors held a total of eleven (11) board meetings, including a dedicated strategy session, during the year to guide the Company's strategy, operations and business expansion across approved target markets.

The table below lists the names of the esteemed members of the Board of Directors and their respective attendance¹ for the year 2019. In July 2019, the Board term was renewed for a three-year tenure.

Board of Directors Name	Designation/Position	API Board Meeting (2019) – Attendance								Strategy Meetings		Board	Total
		29-Jan Riyadh	25-Mar Riyadh	7-May Riyadh	1-Jul Riyadh	26-Aug Riyadh	1-Oct Riyadh	29-Oct Riyadh	12-Nov Riyadh	10-Dec London	11-Dec London	12-Dec London	
Mohammed A. Abunayyan	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Sulaiman A. Al Muhaidib	Board director/ Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Ibrahim S. Al Rajhi	Board director/ Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Rasheed Al Rasheed	Board director/ Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Tariq Al Mutlaq	Board director/ Member	✓	X	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
Ibrahim Alromaih	Board director/ Member	✓	✓	✓	X	✓	✓	✓	N/A	N/A	N/A	N/A	6
Mohsen Khalil	Board director/ Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Omar M. Almidani	Board director/ Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Federico Tauber	Board director/ Member	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4
Mohamed Al Nahas	Board director/ Member	X	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	9
Raid Ismail	Board director/ Member	✓	✓	X	✓	✓	✓	✓	✓	X	X	✓	8
Esmail Alsallom	Board director/ Member	N/A	N/A	N/A	N/A	✓	✓	✓	X	✓	✓	✓	6
Abdullah Al Rowais	Board director/ Member	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	7
Vincent De Rivaz	Board director/ Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	3

Legend: (✓) Present; (X) Apology; (N/A) Not a Board member at that time or has resigned.

1 Kindly note the following (1) the voluntary relinquishment of Mr. Tariq Almutlaq in March 2020; (2) the resignation of Mr. Ibrahim Alromaih, the nominated representative of Sanabil, in October 2019 following the successful acquisition of the PIF of Sanabil equity stake in the Company; (3) appointment of Mr. Vincent De Rivaz in December 2019.

ALLOWANCES OF BOARD OF DIRECTORS

The members of the Board of Directors are remunerated an annual remuneration of two hundred thousand Saudi riyals (SAR 200,000) and an attendance fee of three thousand Saudi riyals (SAR 3,000) for each attended meeting, during a given year. The Board of Directors received a total remuneration, inclusive of attendance fees of **SAR 4,451,000**, for the year 2019. The incurred expenses related for the given year was **SAR 619,421**.

Board of Director name	Role	Annual allowance (SAR)	Attendance (SAR)	Committees allowance & attendance fees (SAR) ²	Total (SAR)	Expenses (SAR)
Mr. Mohammad Abunayyan	Chairman	200,000	33,000	232,500	465,500	10,127
Mr. Sulaiman Al Muhaidib	Member	200,000	33,000	0	233,000	32,949
Dr. Ibrahim S. Al Rajhi	Member	200,000	33,000	0	233,000	0
Mr. Rasheed Al Rasheed	Member	200,000	33,000	150,000	383,000	43,205
Mr. Tariq Al Mutlaq	Member	50,000	3,000	93,000	146,000	0
Mr. Ibrahim Alromaih	Member	200,000	18,000	217,000	435,000	500
Dr. Mohsen Khalil	Member	200,000	33,000	294,500	527,500	247,957
Mr. Omar Almidani	Member	200,000	33,000	232,500	465,500	7,922
Mr. Federico Tauber	Member	100,000	12,000	139,500	251,500	12,687
Mr. Mohammed Al Nahas	Member	200,000	27,000	68,000	295,000	101,293
Mr. Raid Ismail	Member	200,000	24,000	251,000	475,000	60,318
Mr. Esmail Alsallom	Member	100,000	18,000	93,000	211,000	35,760
Mr. Abdullah Al Rowais	Member	100,000	21,000	150,000	271,000	57,128
Mr. Vincent De Rivaz	Member	50,000	9,000	0	59,000	9,575
TOTAL		2,200,000	330,000	1,921,000	4,451,000	619,421

2 Note: including SAR 3000/- which has been paid for members who attended an IPO workshop.

BOARD COMMITTEES

A. BOARD AUDIT COMMITTEE

The Board Audit Committee (BAC), a committee formed by a resolution of the Company's Ordinary General Assembly, has the required knowledge and experience in finance, accounting, internal audit, and compliance that enable them to perform their fiduciary role and responsibilities in monitoring the Company's activities and ensuring the integrity and effectiveness of the reports, financial statements and internal control systems.

In line with the mandate of the BAC, the Committee reviews key internal audit findings across financial, operational, and risks and compliance matters. The Internal Audit function examines and reviews the Company's internal and financial controls and risk management system, including the status of Management-agreed audit actions. In addition, the Committee reviews the Company's interim and annual financial statements, which are prepared in accordance with International Financial Reporting Standards (IFRS), prior to endorsement, for Board approval. In support of a holistic understanding and overview, the Committee invites business functions from across the Company, from time to time, to discuss areas of control and risk management.

By year-end, BAC comprised five members – i.e. three (3) independent members and two board members, an independent and a non-executive – and held eight (8) meetings in the year 2019. The Chairman of the Committee is an independent member, who provides high-level briefs to the Board on a quarterly basis. As per the Committee's charter, decisions are to be approved by a majority vote, whether in person or by proxy; in cases of a tie, the Chairman has a casting vote.

Through self-assessment, the BAC evaluates its performance on an annual basis, reviews its compliance status under the committee's charter, and confirms that it fulfils its duties and responsibilities.

CORPORATE GOVERNANCE REPORT CONTINUED

The table below lists the Board Audit Committee members³ and their respective attendance for the year 2019:

Name	Designation/Position	BAC Meeting (2019) – Attendance								Total
		13-Mar Dubai	24-Mar Riyadh	26-May Riyadh	30-May Riyadh	20-Aug Riyadh	11-Sep Dubai	29-Oct Riyadh	19-Nov Riyadh	
Mr. Khalid Al Rabiah	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Harold Manasa	Member	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Rasheed Al Rasheed	Member	✓	✓	✓	✓	✓	✓	✓	✓	8
Mr. Abdulrahman Al Khelaifi	Member	✓	✓	✓	✗	✗	✓	✓	✓	6
Dr. Ammr Kurdi	Member	✓	✗	N/A	N/A	N/A	N/A	N/A	N/A	1
Mr. Abdullah Al Rowais	Member	N/A	N/A	✓	✓	✓	✓	✓	✓	6

Legend: (✓) Present; (✗) Apology; (N/A) Not a Committee member at that time.

³ Mr. Harold Manasa held the position of Chairman of the Board Audit Committee until 05 July 2019 in which Mr. Khalid Rabiah was appointed as Chairman for the new committee term.

B. BOARD RISK & COMPLIANCE COMMITTEE

The Board Risk & Compliance Committee (BRCC), has the required knowledge and experience in risk management, compliance, legal and finance to support the Board in executing its fiduciary responsibility in overseeing and reviewing the Company's strategic, financial, operational, business and compliance risks; including of the Company's risk management framework, policies, procedures and practices employed to manage and monitor risks. In addition, the Company's Compliance program is reviewed and overseen by the Committee.

By year-end, BRCC comprised four members – i.e. three (3) independent members and one independent board member – and held four (4) meetings in the year 2019. The Chairman of the Committee is an independent member, who provides the Board with quarterly updates on a range of issues discussed, monitored and actioned by the BRCC. As per the Committee's charter, decisions are to be approved by a majority vote, whether in person or by proxy; in cases of a tie, the matter is to be referred to the Board.

Through self-assessment, the BRCC evaluates its performance on an annual basis, reviews its compliance status under the committee's charter, and confirms that it fulfils its duties and responsibilities.

The table below lists the Board Risk and Compliance Committee members and their respective attendance for the year 2019:

Name	Designation/Position	BRCC Meeting (2019) – Attendance				Total
		14-Mar Dubai	27-May Riyadh	12-Sep Riyadh	21-Nov Dubai	
Dr. Khalid Al Faddagh	Chairman	✓	✓	✓	✓	4
Mr. H.E. Mohammed Al Nahas	Member	✓	✓	✓	✓	4
Dr. Ammr Kurdi	Member	✓	N/A	N/A	N/A	1
Mr. Mohamed El Roubi	Member	✓	✓	✓	✓	4
Mr. Harold Manasa	Member	✓	✓	✓	✓	4

Legend: (✓) Present; (✗) Apology; (N/A) Not a Committee member at that time.

C. BOARD EXECUTIVE COMMITTEE

The Board Executive Committee (BEC) is comprised exclusively of members of the Board of Directors with an objective, amongst other responsibilities, to review and approve investment opportunities, oversee assets under development and construction and review and endorse the Company's strategic business plans, annual budgets and any other plans with significant impact on the operations of the Company, for Board approval.

By year-end, BEC comprised five (5) board members – four (4) non-executive and one (1) independent – and held fifteen (15) meetings in the year 2019. The Chairman of the Board chairs the BEC. As per the Committee's charter, decisions are to be approved by a majority vote, whether in person or by proxy; in cases of a tie, the Chairman has a casting vote.

Through self-assessment, the BEC evaluates its performance on an annual basis, reviews its compliance status under the committee's charter, and confirms that it fulfils its duties and responsibilities.

The table below lists the Board Executive Committee members and their respective attendance for the year 2019:

Name	Designation/Position	BEC Meeting (2019) – Attendance																Total
		9-Jan Riyadh	24-Jan Riyadh	4-Mar Riyadh	21-Apr Riyadh	25-Apr Riyadh	22-May Riyadh	23-Jun Riyadh	30-Jun Riyadh	9-Jul Riyadh	5-Sep Riyadh	18-Sep Riyadh	6-Oct Riyadh	17-Nov Riyadh	10-Dec Riyadh	22-Dec Riyadh		
Mr. Mohammad Abunayyan	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	15	
Mr. Tariq Al Mutlaq	Member	✓	✓	✓	X	X	X	X	X	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	
Mr. Ibrahim Alromaih	Member	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	N/A	N/A	N/A	10	
Dr. Mohsen Khalil	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	15	
Mr. Federico Tauber	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	9	
Mr. Omar Almidani	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	15	
Mr. Raid Ismail	Member	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	X	X	11	
Mr. Esmail Alsallom	Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	6	

Legend: (✓) Present; (X) Apology; (N/A) Not a Committee member at that time or has resigned.

D. CONFLICT OF INTEREST AND RELATED PARTY TRANSACTION COMMITTEE

The Conflict of Interest & Related Party Transaction Committee is comprised exclusively of members of the Board of Directors with an objective to review and approve all conflict of interests and related party transactions that involve the Company's shareholders, board of directors and management, as stipulated in the board approved Committee charter and Related Party Transactions and Conflicts of Interest Policy (RPTCI Policy), in compliance with the Company's Code of Governance policy. The review of the RPTC includes material related party transaction disclosures, contained in the Annual Report or in the Company's financial statements and which have also been reported by the Committee to the Board and General Assembly, in accordance with the Companies Law.

By year-end, RPTC comprised three board members – two (2) independent and one non-executive – and held six (6) meetings in the year 2019. The Chairman of the Committee is an independent board member, who provides high-level briefs to the Board on a quarterly basis and on an ad hoc basis as needed. As per the Committee's charter, decisions are to be unanimously approved, whether in person or by proxy. Any approval or rejection given by the Committee is considered as an approval or rejection by the Board of Directors.

Through self-assessment, the RPTC evaluates its performance on an annual basis, reviews its compliance status under the committee's charter, and confirms that it fulfils its duties and responsibilities.

The table below lists the Conflict of Interest & Related Party Transaction Committee members and their respective attendance for the year 2019:

Name	Designation/Position	RPTC Meeting (2019) – Attendance						Total
		24-Jan Riyadh	11-Mar Riyadh	21-Apr Riyadh	24-Jun Riyadh	9-Sep Riyadh	1-Oct Riyadh	
Mr. Mohsen Khalil	Chairman	✓	✓	✓	✓	✓	✓	6
Mr. Tariq Al Mutlaq	Member	✓	N/A	N/A	N/A	N/A	N/A	1
Mr. Ibrahim Alromaih	Member	✓	✓	✓	✓	✓	✓	6
Mr. Raid Ismail	Member	N/A	N/A	N/A	N/A	✓	✓	2
Mr. Abdullah Al Rowais	Member	N/A	N/A	N/A	N/A	✓	✓	2

Legend: (✓) Present; (X) Apology; (N/A) Not a Committee member at that time.

CORPORATE GOVERNANCE REPORT CONTINUED

E. THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) has the required knowledge and experience in fulfilling its entrusted responsibilities and duties in supporting the Board. The Committee reviews and endorses, amongst other things, policies and standards of appointments of board directorships and committee memberships, skills and qualifications required with periodic evaluations – including the structures, remunerations/allowances policies and any other task requested by the Board. Quarterly, the Chairman of the NRC provides high-level briefs to the Board on key matters including but not limited to human capital related matters.

By year-end, the NRC comprised four members – i.e. three (3) independent members and one non-executive board member – and held five (5) meetings in the year 2019. The Chairman of the Committee is a non-executive board member, in which the Board provided a waiver to article (1.4) of the NRC Charter, forgoing the need for an Independent board member to chair the committee. As per the Committee's charter, decisions are to be approved by a majority vote, whether in person or by proxy; in cases of a tie, the Chairman has a casting vote.

Through self-assessment, the NRC evaluates its performance on an annual basis, reviews its compliance status under the committee's charter, and confirms that it fulfils its duties and responsibilities.

The table below lists all the Nomination and Remuneration Committee members and their attendance at 2019 meetings:

Board of Directors name	Designation/Position	NRC Meeting (2019) – Attendance					Total
		6-Mar Riyadh	25-Jun Riyadh	9-Sep Riyadh	22-Oct Riyadh	14-Nov Riyadh	
Mr. Raid Ismail	Chairman	✓	✗	✓	✓	✓	4
Mr. Tariq Al Mutlaq	Ex-Chairman	✓	✓	N/A	N/A	N/A	2
Dr. Fahad Al Zahrani	Member	✓	✓	✓	✓	✓	5
Dr. John Leggate	Member	✓	N/A	N/A	N/A	N/A	1
Mr. Guy Richelle	Member	✓	✓	✓	✓	✓	5
Mr. Bleihid Al Bleihid	Member	✓	✓	N/A	N/A	N/A	2
Mr. Johan Brand	Member	N/A	N/A	N/A	✓	✓	2

Legend: (✓) Present; (✗) Apology; (N/A) not a Committee member at that time or has resigned.

BOARD DECLARATION FOR 2019:

As per the Corporate Governance regulations' requirement for the Company to make a declaration regarding non-applicable or non-existing matters, the Board undertakes the following:

No.	Declaration/Confirmation
1.	The Board, through self-assessment, annually evaluates its performance, reviews the status on compliance of its obligations under the Charter and confirms that it fulfilled its duties and responsibilities.
2.	There were no penalties or precautionary attachments imposed on the Company by any supervisory, regulatory or judicial body.
3.	There were no critical or major observations communicated by the External Auditor during the 2019 audits that can impair the effectiveness of the Company's internal control systems.
4.	The Company's books and records comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as endorsed by the Saudi Organization for Certified Public Accountants (SOCPA).
5.	There is no interest in any class of voting shares for anyone who has notified the Company with these interests and any change in these rights during the last fiscal year.
6.	There is no interest, contractual documents and subscription rights of senior executives and their relatives in the shares or debt instruments of the Company or its affiliates, and any change in this interest or right during the last fiscal year.
7.	There are no treasury shares held by the Company for any purpose and accordingly no disclosure is required of details of treasury shares used by the Company.
8.	There are no debt instruments issued to ACWA Power and its subsidiaries except as already disclosed in audited financial statements of the Group.
9.	There is no class and number of any convertible debt instruments, contractual securities, pre-emptive right or similar rights issued or granted by the Company during the fiscal year except as already disclosed in audited financial statements of the Group.
10.	There are no conversion or subscription rights under any convertible debt instruments, contractual-based securities, warrants or similar rights issued or granted by the Company except as already disclosed in audited financial statements of the Group.
11.	There is no redemption, purchase or cancellation by the Company of any redeemable debt instruments and the value of such securities outstanding, whether listed securities purchased by the Company and those purchased by its affiliates.

No.	Declaration/Confirmation
12.	The Board confirms that: A) The Company's accounting records were properly prepared. B) There are no doubts about the Company's ability to continue its business activities.
13.	There is no arrangement or agreement under which a shareholder of the issuer has waived any rights to dividends.
14.	The Company confirms that till 2019 it has not applied any programs for granting stock options or part of the dividends to the employees, or any pension programs, and there are no special funds for these programs.
15.	There were no recommendations by the Audit Committee that conflicted with the Board of Directors' decisions. The Board did not reject recommendations regarding the appointment of the Company's external auditor, the dismissal, the determination of its fees, the performance evaluation or the appointment of the internal auditor during the year.

ACKNOWLEDGEMENT

The members of the Board of Directors would like to express their gratitude to the Custodian of the Two Holy Mosques, King Salman Bin Abdulaziz Al Saud (may Allah protect him) and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud (may Allah protect him), Crown Prince, Deputy Prime Minister and Minister of Defense.

The Board of Directors also graciously extend gratitude and appreciation to the Minister of Energy, His Royal Highness Prince Abdulaziz bin Salman; H.E. Mohammed Al-Jadaan, Minister of Finance and H.E. Abdulrahman Al-Fadley, the Minister of Environment, Water & Agriculture, for their continued support of the privatised electricity and water sectors.

The Directors' appreciation extends to all government officials and relevant authorities for their continued cooperation with the Company. We also would like to recognise the dedication and commitment of the Company's Management and employees in ensuring ACWA Power continues to be an industry leader in the electricity and water sectors in Saudi Arabia and across all our target geographies.

Yours Sincerely,



Mohammed A. Abunayyan
 Chairman of ACWA Power