

Board of Directors' report



Shuqaiq IWPP, Saudi Arabia



Esteemed Shareholders of ACWA Power,

The Board of Directors of International Company for Water & Power Projects ('ACWA Power' or the 'Company') is pleased to present its annual Board of Director's Report for the year 2020. The report reviews the year's performance and key achievements in addition to the consolidated financial statements and auditor's report for the year ended on 31 December 2020.

The report also contains disclosures related to the Company's governance, Board of Directors, its committees and transactions with related parties.

1. Overview

ACWA Power (the "Company") is a Saudi closed joint stock company established under Commercial Registration No. 1010253392 dated 10/7/1429H (corresponding to 13/7/2008G) and Ministerial Resolution No. 215/Q dated 2/7/1429H (corresponding to 5/7/2008G). The Company (together with its subsidiaries, the 'Group') is a leading private developer, investor and operator of power generation and water desalination projects, both in fossil fuel and renewable technologies, in the Kingdom of Saudi Arabia and in the wider GCC, Egypt, Ethiopia, Morocco, South Africa, Turkey, Uzbekistan, Azerbaijan and Vietnam.

The Group aims to become one of the largest power generation and water desalination players in the GCC, Asia and Africa without compromising its commitment to reliably and responsibly deliver power and desalinated water at low cost, as well as an innovative player in the production of green hydrogen. The Group's mission is to reliably and responsibly deliver electricity and desalinated water at an optimized cost – as low as possible to ensure uninterrupted contracted cash flow throughout the term of the contract, but high enough to recover all costs and a return on the investment to create shareholder value. This contributes toward the Group's wider vision to ensure the ingenuity and entrepreneurship of the private sector, and make available power and desalinated water in a reliable and responsible manner to support the social development and economic growth of nations in which the Group operates as well becoming a key player at the forefront of the energy transition from conventional to renewable power and green hydrogen.

2. Main activities

The Company and its subsidiaries (collectively the "Group") are engaged in the business of development, construction, acquisition, generation and sale of electricity and desalinated water, leasing, operation and maintenance of power generation, water desalination and steam plants, and other related or auxiliary business activities complimentary to it.

3. Key activities and achievements in 2020

The Group added six (6) new projects in 2020, bringing the total number of projects in its portfolio of operating, under construction and advanced development to sixty-two (62) as of 31 December 2020. As of this same date; the total contracted power generation and water desalination capacity stood at 41.7GW and 5.8 million m³/day, respectively, and thirty eight (38) projects were operational, reliably and responsibly delivering 20.3GW of power and 2.7 million m³/day of desalinated water.

During 2020, the Public Investment Fund of the Kingdom of Saudi Arabia (PIF) increased its ownership interest in the Company from 33.6% to 50.0% by acquiring shares from other shareholders via private transactions. Consolidating a relationship dating back to 2013, which has flourished ever since, this transaction is a strong vote of confidence in ACWA Power's ability to expand its profitable operations domestically and internationally, while also reflects the strategic importance the Government of the Kingdom of Saudi Arabia places on the Group and its role as a leading private sector investor in the power and water infrastructure of the country and a leading contributor to the Kingdom's energy transition agenda.

During its annual Strategy Meeting in 2020, The Group decided to no longer invest in additional coal-fueled projects. Additionally, the Group has committed to raising its power generation capacity in Renewables (including projects under construction or advanced development) to at least 50% renewables by 2030, reducing the GHG emission intensity of its portfolio by 50% by 2030, and to achieving net-zero- emissions by 2050.

Notably, during 2020 the Group:

- Recorded an overall 95% availability for power generation and 94% for water desalination, thus keeping critical power and infrastructure operational despite the challenges of the COVID-19 pandemic.
- Crossed 23 million safe man-hours without lost-time injury and there has been no fatality across the entire Group.

- Engaged in the advanced construction of ten (10) power and water projects across four (4) countries in the GCC region, representing more than USD 9.5 billion of estimated project cost and an aggregate gross power capacity of 3.85 GW and gross desalination capacity of 744 MIGD – all in a year where entire economies were deeply impacted by the COVID-19 pandemic.
- Participated in twelve (12) competitive bids in addition to several other direct negotiations for projects, which included four (4) bids submitted in Indonesia and emerged as the lowest bidder in all of them.
- Won seven (7) new projects, including in two (2) new countries – Azerbaijan and Uzbekistan, as follows:
 - Awarded Jubail 3A IWP – won at a new record-low tariff for desalinated water of USD 0.413/m³/day.
 - Awarded “The Red Sea Project”, a landmark zero-carbon, zero-waste “Giga-City” initiative in which ACWA Power will deliver not only renewable power and water, but also district cooling, wastewater and solid waste and telecommunication services.
 - Signed PPAs for three (3) new Wind projects at a total of 1.24 GW of new capacity – Bash and Dzhankeldy projects in Uzbekistan, each of 500 MW, and 240 MW wind project in Azerbaijan. Subsequently in 2021, we signed an implementation agreement with the Government of Uzbekistan for a 1500 MW Wind IPP, which is possibly the largest single-site wind project in the world.
 - Announced equal joint venture participation through a joint development agreement with Air Products and Chemicals, Inc. (“Air Products”) and NEOM (a planned smart city and economic zone in north-western Saudi Arabia) in the landmark Neom Hyllos project, to produce and deliver carbon-free hydrogen to power buses and trucks around the world, notably using approximately 4 GW of renewable energy produced by the Group, together with its joint venture partners, to generate the power used for producing green hydrogen (using green ammonia as the transportation vector).
 - Signed PPA for 1,500 MW Sudair PV project, the first project under the PIF-led portion of the National Renewable Energy Program within the Kingdom’s Vision 2030.
- Signed an MoU with Egypt to conduct preliminary and feasibility studies for a series of solar/wind-powered water desalination projects.
- Achieved financial close for the 600,000 m³/day Jubail 3A IWP in Saudi Arabia, 900 MW DEWA V PV IPP project in the UAE, and 500 MW Ibri 2 PV IPP in Oman.
- Achieved 13 days and nights, or 312 hours, of continuous operation at Bokpoort CSP plant in South Africa.
- Collaborated with the world’s largest green hydrogen project developers as a founding partner of the Green Hydrogen Catapult initiative.
- Committed to reducing the Green House Gas (GHG) emission intensity of the Group’s portfolio to 50 percent by 2030, and to net-zero by 2050.
- Obtained US\$125 million 5-year Shariah-compliant general corporate facility from Arab Petroleum Investment Corporation (APICORP) to fund investments in renewable projects.
- Re-financed debt in the Bokpoort CSP at better terms in approximately 5 billion-rand (USD 336 million) transaction in South Africa’s biggest infrastructure-refinancing transaction yet, and voluntarily offered a further tariff reduction to the offtaker – over and above the 16 percent lower tariff than the second lowest tender back in 2011.
- Implemented most of the initiatives of Project Galvanize, the Company’s organizational transformation program, restructuring the way we are organised and the way we work, all the more reinforcing our institutionalisation drive – a very timely and crucial intervention designed to provide us with the ability to remain agile, efficient, and entrepreneurial in the face of the rapidly growing scale of operations and expanding geographical footprint.

Subsequently, in June 2021 the Group has successfully raised SAR 2.8 billion, through a senior, unsecured floating Sukuk rate issuance with a 7-year tenor, under the Shariah compliant Mudaraba-Murabaha structure. Oversubscribed by 1.8 times over the issue size of SAR 5 billion, the final 100 bps pa + SAIBOR pricing has been the lowest spread secured in the Saudi capital markets by a corporate or bank issuer since 2017.

Moreover, within the scope of the Group’s corporate social responsibility (CSR) framework under the Group’s Environment, Social and Governance strategy, the Group has fulfilled the following initiatives:

- In support of the national health efforts in the Kingdom of Saudi Arabia to contain the impact of the Covid-19 pandemic, the Group contributed SAR 52.5 million to build an integrated mobile hospital with a 100-bed capacity in cooperation with THABAT, a local construction company and a wholly owned subsidiary of a shareholder. The new mobile hospital was fully resourced with the medical equipment and supplies required to treat Covid-19 cases.
- Contributed EGP 5.5 million to support Tahya Misr Fund’s efforts in combating Covid-19
- Launched “The Power is Within You’ nation-wide initiative, to empower the youth in the Kingdom of Saudi Arabia to ideate, develop and implement their product, service or technology innovations in the power and water sector.

COVID-19 has affected the world from the beginning of 2020 in an unprecedented manner. The Group's priority and immediate response has been to focus on the health and safety of our people, and, given the criticality of the services provided, safely keeping the power generation and desalinated water production plants in operation, always strictly adhering to the instructions and guidance of national and local authorities. At corporate level, a COVID-19 steering committee was formed to oversee safety and business continuity, monitor the financial situation closely and regularly, and to take precautionary measures minimizing the potential impacts. Thanks to these and other measures across our portfolio of operating and under construction projects, combined with the contractual nature of our business, the impact of the pandemic on the results of operations of the Group has remained limited.

4. Highlights on the Group's consolidated financial results

- Operating income before impairment loss and other expenses from the continuing operations, grew by SAR 106.9 million, or 5.8%, to SAR 1,949.0 million in 2020, mainly driven by new operational projects in addition to full-year consolidation of one of the Group's projects, RAWEC, in the Group's results following RAWEC become a subsidiary (from an equity accounted project) in October 2019.
- Profit/(Loss) attributable to equity holders of the parent for 2020 was SAR 882.6 million, decreasing by SAR 291.3 million, or 24.8%, from a year ago, mainly due to certain acquisition and capital recycling gains in 2019 and a write-off in 2020 for the project development costs of a project in Vietnam.
- As at 31 December 2020, cash and cash equivalents stood at SAR 832.7 million, decreasing by 70.2%, or SAR 1.965.6 million, from the previous year, mainly driven by payment at the Group level of dividend to shareholders by SAR 1.0 billion as well as the investments in various projects of SAR 1.7 billion, which were funded by distributions (dividend, investment repayment, fees and others) from the Group's projects and fees from development services.
- The Group completed one acquisition and one divestment during 2020. While increasing its ownership in Hajr for Electricity Production Company ("HAJR") to 22.49% from 17.5%, the Group divested its entire stake in ACWA Power CF Karad PV Park EAD in Bulgaria through ACF Renewable Energy Limited.
- In 2020, the Group booked impairment charges of SAR 67 million attributable to equity holders of the parent, related to one subsidiary (Barka in Oman) and one equity accounted affiliate (SWEC in KSA). Additionally, the Group entered into a sale purchase agreement whereby the barges of Bowarege, a subsidiary of ACWA Power, were sold and the gain on disposal amounting to SAR 9.6 million was recorded under other income.
- In 2020, the Group has decided not to pursue any new coal projects in line with its commitment and focus towards decarbonization and has fully written-off the incurred project development and related costs of Nam Dinh 1 IPP project in Vietnam amounting to SAR 80.9 million. The amount so written off is disclosed in the Group's consolidated statement of profit and loss as "Development cost, provision and write offs, net of reversals."
- In July 2020, the Company received an assessment from the Zakat Tax and Customs Authority (the "ZATCA") in relation to prior years 2009 to 2018 with an additional claim. The Company paid SAR 116 million (provision of SAR 29 million and SAR 87 million were recognised in 2019 and 2020, respectively).

5. Governance structure

The Company seeks to adopt and adhere the highest standard of corporate governance and best practice to deliver the highest level of sustainable value to our stakeholders.

The Company's corporate governance structure is built around the Board of Directors, whom were nominated by the Shareholders and appointed at an ordinary general assembly meeting, 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 and providing frequent updates to the Board for approvals and/or information.

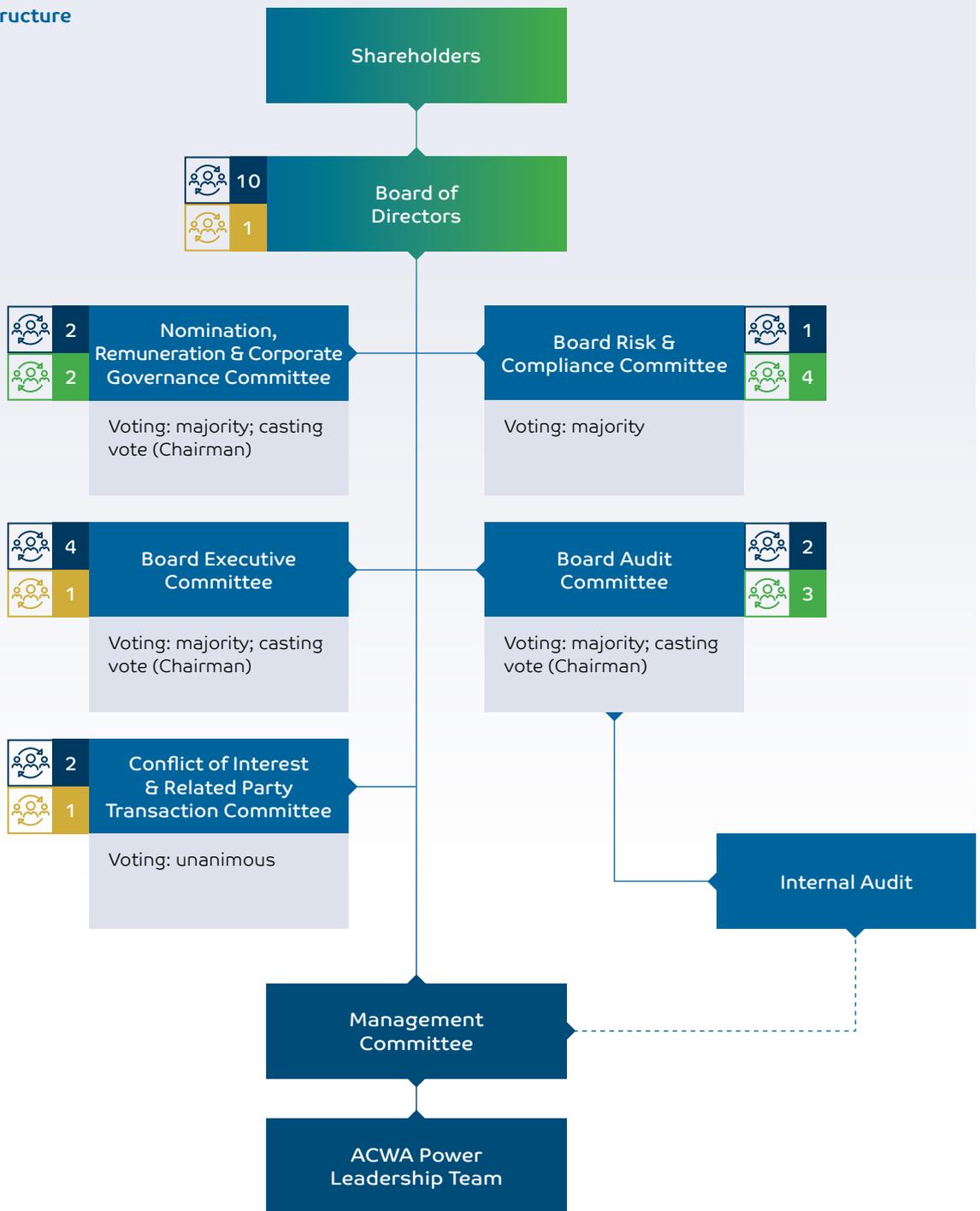
The Management Committee (MC) which consists of the President & Chief Executive Officer (CEO), and his direct reports, operate the Company with direct oversight and guidance from the Board of Directors.

6. Board of Directors

The Board of Directors consists of eleven members, appointed by the General Assembly every three years, which meet at a minimum four times a year (every quarter) or when required by incitation from the Chairman, or from two Directors. In 2020, the Board of Directors held a total of eleven (11) board meetings during the year to guide the Company's strategy, operations, and business expansion across approved target markets. The decisions and discussions of the Board of Directors are documented in the minutes of meetings and signed by the Chairman and Board of Directors.

The Company's Board of Directors consists of highly qualified and respected individuals in the regional and international business community. The Board members and their brief profiles are shown on pages 96 to 99.

Governance structure



-  Board Director
-  Independent Board Director
-  Independent Member

Board of Directors' profiles



Mr. Mohammad Abunayyan
Chairman of the Board of Directors

With more than 38 years of experience in the commercial and industrial sectors, Mr. Abunayyan is widely recognized as one of the most respected leaders in the water and energy sectors. Under his chairmanship, ACWA Power has grown into a leading private sector energy and water provider, achieving significant milestones since the inception of the Company.



Mr. Thamer Al Sharhan
Vice Chairman of the Board of Directors

Mr. Thamer Al-Sharhan, Vice Chairman of the Board of Directors of ACWA Power and Chairman of the Board's Nomination & Remuneration Committee is a business leader with over 38 years of professional experience in major industrial corporations with international operations. Appointed in 2020 as Vice Chairman of ACWA Power, Al-Sharhan has immense expertise in diversified stakeholder relationship management.



Mr. Sulaiman Al Muhaidib
Member of the Board of Directors

Mr. Al Muhaidib is the Chairman of Al Muhaidib Group and a number of companies including Savola Group and RAFAL Real Estate Development.

Appointed 5 July 2019	30 July 2020	5 July 2019
Membership Status Non-Executive	Non-Executive	Non-Executive
External Appointments Mr. Abunayyan chairs and/or is a member of the Board of Directors of several world leading organizations, including Vision Invest and Dussur. In addition, Mr. Abunayyan holds a number of prestigious honorary and leadership positions focused on transforming and diversifying the economy of Saudi Arabia.	Mr. Al-Sharhan sits as a member of the Board of Directors and/or board committees of local and regional organizations.	Mr. Al Muhaidib sits on the Board of Directors of Almarai Company, Vision Invest, Prince Salman Centre for Disability Research and Prince Fahad Bin Salman Charity Association for Renal Failure Patients Care.

Committees

BEC
NRC



Dr. Ibrahim Al Rajhi
Member of the Board of Directors

Dr. Al Rajhi is the Chairman of Arabian Cement Company, a public joint stock company, and other reputable companies in Saudi Arabia. In addition, he sits on the Board of Directors of several local companies including Al Rajhi Holding Group, a closed joint stock company with diversified investments including, but not limited to, financial services, real estate, industrial, contracting and infrastructure. Dr. Al Rajhi received his Master of Science in Management from the United States and a Ph.D. from the United Kingdom.



H.E. Mr. Mohammed Al Nahas
Member of the Board of Directors

His Excellency is the Governor of the Public Pension Agency, as per royal decree no. A/236 dated 16/11/1437H. He has more than 32 years of experience in the banking sector where under his leadership, Alinma Bank realized significant growth and expansion as a leading financial institution. He received his B.Sc. in Accounting from King Saudi University in KSA and an Executive Program from Michigan Ross business school in the USA.



Mr. Raid Ismail
Member of the Board of Directors

Mr. Ismail is the Director of Direct Local Holdings within the Public Investment Fund. He has extensive experience in business development, operations and strategy, including but not limited to change management and organizational turnovers and transformations. Mr. Ismail has held various executive management positions, including General Manager of Mawarid Food Co., CEO of Saudi Tadawi Health Care Group and Founder/Managing Partner of House of Retail LLC.

He received his BSc in Finance from the USA and an MBA from the prestigious London Business School, United Kingdom.

5 July 2019 – 13 May 2020

Non-Executive

Dr. Al Rajhi is the Chairman of Arabian Cement Company, Tibah Airports Development Co. and Tibah Airports Operation Co. In addition, he sits on the Board of Directors of Al Rajhi Holding Group and other companies.

5 July 2019

Non-Executive

His Excellency is the Chairman of a number of esteemed organisations, including ASMA Capital, Al Raidah, Raza, SPIMACO ADDWAEIH, Damamm Pharma Taawuniyah Real Estate Investment. In addition, he is a member of the Board of Directors and Committees of SABIC, STC, Riyadh Bank, Iskan program and the General Organization for Social Insurance.

5 July 2019

Non-Executive

Mr. Ismail sits on the Board of Directors of several companies, including Credit Suisse of Saudi Arabia.

BRCC

BEC

NRC

RPTC



Mr. Rasheed Al Rasheed
Member of the Board of Directors

With over 29 years of experience, Mr. Rasheed Al Rasheed has a strong track record in management, information technology, accounting and finance. He is a member of the Board of Directors of Vision International Investment Company and several other reputable organizations in KSA and in the GCC.



Mr. Omar AlMidani
Member of the Board of Directors

Mr. AlMidani is the Chief Executive Officer of Vision Invest, a leading Saudi Development & Investment Holding Company with active investments in the Power & Water, Industrial Gases, District Cooling, Waste Water Treatment, Logistics and Environmental Solutions Sectors. Mr. AlMidani has served in multiple roles within Vision Invest over the past 10 years. Mr. AlMidani is a member of the Young Presidents Organization and holds a Bachelor of Commerce Degree (Finance) with Honours from the John Molson School of Business in Montreal, Canada.



Mr. Esmail Alsallom
Member of the Board of Directors

Mr. Alsallom is the Chief Investment Officer of Al-Rajhi Holding Group (RHG), a leading development and investment company headquartered in KSA with local and international operations and investments. Mr. Alsallom chairs and/or is a member of the Board of Directors of several esteemed organizations in KSA, regionally and internationally. Previously, Mr. Alsallom led executive roles in flagship organizations including the Head of Corporate Finance in the Structured Finance department of Banque Saudi Fransi. He received a Bachelor's in Industrial Engineering from King Saud University and completed a Leadership Development program from Harvard University, USA.

Appointed

5 July 2019

5 July 2019

5 July 2019

Membership Status

Non-Executive

Non-Executive

Non-Executive

External Appointments

Mr. Al Rasheed chairs and/or is a member of the Board of Directors of more than 8 regional companies including Vision International Investment Company, Saudi Organization for Certified Public Accountants (SOCPA), Saudi Economy Association and the Family Business Council of the Gulf Cooperation Council.

Mr. AlMidani sits on the Board of Directors of several Saudi companies, including Saudi Tabreed, Qudra Energy, Miahona and Etihad International ESCO.

Mr. Alsallom chairs and/or is a member of the Board of Directors of a number of organizations including Mada Infrastructure Holding Co, Injaz Development Co; TIBAH Airports Development Co, Havas Ground Handling Co, BTA Foods, ATU Duty Free, and Al Madinah Airport Hotel.

Committees

BAC

BEC

BEC

BEC

Board Executive Committee

BAC

Board Audit Committee

NRC

Nomination, Remuneration & Corporate Governance Committee

BRCC

Board Risk & Compliance Committee

RPTC

Conflict Of Interest and Related Party Transaction Committee



Dr. Mohsen Khalil
Member of the Board of Directors

Dr. Khalil is the Founder/CEO of MAKVEST, which provides business and financial advisory services to companies focusing on emerging markets. Previously, he held various executive positions with the International Finance Corporation (IFC) and the World Bank, including Director of IFC's Central Asia, Middle East and North Africa and joint World Bank/IFC Director of the Global Information and Communication Technologies Department. Dr. Khalil also served as Business Professor at the American University of Beirut, advisor to various governments and major corporations, in addition to working with McKinsey & Co.



Mr. Abdullah Al-Rowais
Member of the Board of Directors

Mr. Al-Rowais is the Chief Audit Executive of Etihad Etisalat Company (Mobily). He holds more than 25 years of experience in Corporate Governance, Finance & Accounting, IT, ERM and Internal Audit. Mr. Al-Rowais holds a B. Comm (Accounting) and Master of Science in Computer and Information Systems from the USA and has successfully completed leadership and executive courses from internationally renowned schools such as IMD, INSEAD and London Business School. He is one of the founding members of the Institute of Internal Auditors of KSA.



Mr. Vincent De Rivaz
Member of the Board of Directors

Mr. Vincent de Rivaz has been the longest serving Chief Executive Officer within the United Kingdom Energy Companies from February 2002 till October 2017. He has held an extensive range of responsibilities within EDF Group and was a member of the Executive Committee from 2010 till 2017 and retired from the Group in 2018. During almost a decade, he has been leading the engagement with UK government and a wide range of stakeholders to create the political, financial, industrial and regulatory conditions of the revival of nuclear industry in U.K. He has a graduate engineer of Ecole Nationale Supérieure d'Hydraulique de Grenoble (1976), he was made Chevalier de la Legion d'Honneur in 2009 and honorary Commander of the British Empire in 2012. He was elected as a fellow of the Royal Academy of Engineering in 2015.

5 July 2019

Independent

Dr. Khalil is a member of the Board of Directors for many companies and funds at different stages of growth.

5 July 2019

Non-Executive

Mr. Al-Rowais sits as a member of the Board of Directors and/or board committees of local and regional organisations, including SAMBA Financial Group, Bawan, Alinma Tokio Marine, Noon investments Company and Saudi Tourism Authority.

5 December 2019

Non-Executive

Mr. Vincent De Rivaz holds NED positions as representative of the Public Investment Fund in Acwa Power in the Kingdom of Saudi Arabia. He is a Clean Energy Advisor for Temasek (Singapore).

BEC

RPTC

BAC

RPTC

The table below shows the board meetings held and the board of directors' attendance for the year 2020.

No.	Board of Directors Name	Designation / Position	API Board Meeting (2020) - Attendance											Total	
			6-Jan Riyadh	18-Feb Riyadh	10-Mar Riyadh	30-Mar Riyadh	30-Jun Riyadh	8-Sep Riyadh	10-Sep Riyadh	30-Sep Riyadh	4-Oct Riyadh	29-Oct Riyadh	10-Dec Riyadh		
1	Mohammed Abunayyan	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
2	Sulaiman Al Muhaidib	Board Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
3	Ibrahim Al Rajhi	Board Director	✓	x	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	
4	Rasheed Al Rasheed	Board Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	
5	Mohsen Khalil	Board Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	
6	Omar Almidani	Board Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	
7	Mohammed Al Nahas	Board Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	
8	Raid Ismail	Board Director	x	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	9	
9	Esmail Al Sallom	Board Director	✓	x	✓	✓	x	✓	✓	✓	✓	✓	✓	9	
10	Abdullah Al Rowais	Board Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	
11	Vincent De Rivaz	Board Director	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10	
12	Thamer Al Sharhan	Vice Chairman	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	6	

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

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 SAR) for each attended meeting, during a given year. The Board of Directors received a total remuneration, inclusive of attendance fees of SAR 3,973,666, for the year 2020. Expenses related to board or committees meetings for the given year was SAR 1,200.

Board of Director Name	Role	Annual Remuneration (SAR)	Attendance Fees (SAR)	BEC	BRCC	NRC	RPTC	Board remuneration paid in 2020 (SAR)	Expenses ¹ (SAR)
Mr. Mohammad Abunayyan	Chairman	200,000	33,000	232,500				465,500	-
Mr. Thamer Al Sharhan	Vice Chairman	50,000	-			116,666		166,666	-
Mr. Sulaiman Al Muhaidib	Board Director	200,000	33,000					233,000	-
Dr. Ibrahim S. Al Rajhi	Board Director	100,000	9,000					109,000	-
Mr. Rasheed Al Rasheed	Board Director	200,000	33,000					233,000	-
Dr. Mohsen Khalil ²	Board Director	200,000	33,000	263,500			68,000	472,500	1,200
Mr. Omar Almidani	Board Director	200,000	33,000	217,000				450,000	-
Mr. Mohammed Al Nahas	Board Director	200,000	33,000	31,000	74,000			338,000	-
Mr. Raid Ismail	Board Director	200,000	27,000	139,500		81,000	52,500	500,000	-
Mr. Esmail Alsallom	Board Director	200,000	27,000	217,000				444,000	-
Mr. Abdullah Al Rowais	Board Director	200,000	33,000	31,000			68,000	332,000	-
Mr. Vincent De Rivaz	Board Director	200,000	30,000					230,000	-
Total		2,150,000	324,000	1,131,500	74,000	197,666	188,500	3,973,666	1,200

Note 1: During the year 2020, the expenses related to Board or committees meetings were low compared to prior years due to the virtual meetings as a result of the COVID-19 pandemic.

Note 2: Due to the yearly cap of SR 500,000, Dr. Mohsen Khalil was paid only SR 472,500 (USD 126,000) for the entire year of 2020 against all board and committees' remunerations and SR 27,500 already paid in 2019 was excluded.

Thamer Al-Sharhan Service Agreement remuneration

Mr. Thamer Al Sharhan has entered into a Service Agreement with the Company which start on 1 September 2020. This Agreement was approved by the ordinary general assembly on 13 June 2021. In addition to the board remuneration of Thamer as set out in the above table, he received a total amount of SAR 1,334,924 under his Service agreement from 1 September 2020 until 31 December 2020, as shown in the above table.

7. Board Committees

The Company's Board Committees include the: (1) Nomination, Remuneration & Corporate Governance Committee; (2) the Board Audit Committee; (3) the Board Risk & Compliance Committee; (4) the Board Executive Committee; and (5) Conflict of Interest & Related Party Transaction Committee all of which act in line with the stipulated mandate in their respective charters.

A. Board Audit Committee

The Board Audit Committee ('BAC') is composed of five members, appointed by the general assembly for a period not exceeding the term of the Board membership, consisting of two (2) non-executive Board members and three (3) independent non-Board members, one of whom is the chairman of the committee. In line with the Corporate Governance regulations for un-listed companies "CGRs", none of the committee members are executive Board members, and the chairman of the committee is not the chairman of any committees stipulated under the CGRs.

The Committee has the knowledge and expertise in accounting, internal audit, compliance, and commercial law that enables it to perform its fiduciary role and responsibilities in providing independent assurance and of the integrity and effectiveness of the reports, financial statements, and internal control systems. In line with the Committee's charter, the key role and responsibility of the BAC includes, but is not limited to: (i) reviewing key internal audit findings across financial, operational, and risk and compliance matters; (ii) reviewing the Company's interim and annual consolidated financial statements before the latter is put forward for approval at the Company's General Assembly; (iii) reviewing the accounting policies and authorities table adopted by the Company before its endorsement and recommends any change in these policies to the Board, for approval; (iv) ensuring that internal controls are effectively applied, and that sound accounting records are kept with appropriate supporting documents. 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 interest. In addition, quarterly high-level updates are presented to the Board by the BAC Chairman to ensure that the Committee's activities and endorsements are communicated.

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 has fulfilled its duties and responsibilities.

The table below outlines the names of the members of the Board Audit Committee and their respective attendance of the ten (10) meetings which were held during the year 2020:

No.	Board of Directors Name	Designation / Position	BAC Meeting (2020) - Attendance										Total	
			20-Feb Riyadh	8-Mar Riyadh	8-Jun Riyadh	9-Jun Riyadh	31-Aug Riyadh	1-Sep Riyadh	24-Sep Riyadh	10-Nov Riyadh	29-Nov Riyadh	16-Dec Riyadh		
1	Mr. Khalid Al Rabiah	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
2	Mr. Harold Manasa	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
3	Mr. Rasheed Al Rasheed	Board Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
4	Mr. Abdulrahman Al Khelaifi	Member	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	9
5	Mr. Abdullah Al Rowais	Board Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10

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

B. Board Risk & Compliance Committee

The Board Risk & Compliance Committee ('BRCC') is composed of five members, appointed by the Board of Directors for a period not exceeding the term of the Board membership, consisting of one (1) non-executive Board member and four (4) independent non-Board members, one of whom is the chairman of the committee. The Committee has the required knowledge and expertise in risk management, compliance, and commercial law to support the Board in executing its fiduciary responsibilities. In line with the BRCC charter, the role and responsibility of the committee includes, but is not limited to (i) provide oversight and advice to the Board on the current risk exposures and future risk strategy of the Company; (ii) ensure the implementation and maintenance of a supportive culture in relation to the management of risks across the Company, alongside established prescriptive rules, processes and procedures, and compliance with the relevant laws and regulations; (iii) facilitate continuous improvement of the Company's capabilities around managing its risks (current and emerging risks), controls and compliances including effective utilisation of risk management techniques in decision making; and (iv) support the Board by monitoring and evaluating guidelines and policies to govern the process by which internal controls, risk assessment, risk management and compliances are undertaken. In addition, the BRCC Chairman presents quarterly high-level updates to the Board to ensure that the committee's activities and endorsements are communicated.

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 outlines the names of the members of the Board Risk and Compliance Committee and their respective attendance of the nine (9) meetings which were held during the year 2020:

No.	Board of Directors Name	Designation/Position	BRCC Meeting (2020) - Attendance									Total	
			9-Mar Riyadh	24-Mar Riyadh	4-Jun Riyadh	9-Jun Riyadh	9-Jun Riyadh	26-Jun Riyadh	2-Sep Riyadh	9-Nov Riyadh	9-Dec Riyadh		
1	Dr. Khalid Al Faddagh	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
2	H.E Mohammed Al Nahas	Board Director	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	8
3	Mr. Mohamed El Roubi	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
4	Mr. Harold Manasa	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
5	Mr. Ayman Elariss	Member	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓	7

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

C. Board Executive Committee

The Board Executive Committee ('BEC') is composed of five members, appointed by the Board of Directors for a period not exceeding the term of the Board membership, exclusively consisting of members of the Board of Directors whereby four (4) are non-executive Directors and one (1) is an independent Director. The Chairman of the Board of Directors chairs the BEC. The Committee has the required knowledge and expertise executing its duties, as stipulated in its charter, which includes but is not limited to: (i) approve investments, acquisitions and/or submittal of binding bids in relation to any project; (ii) review and endorse to the Board of Directors for approval the five year business plan, operating plans or any other plan that has a significant impact upon the operations of the Company; (iii) review and endorse the annual business plan and budget for Board of Directors approval. The BEC Chairman presents quarterly high-level updates to the Board to ensure that the committee's activities and approvals are communicated.

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 has fulfilled its duties and responsibilities.

The table below outlines the names of the members of the Board Executive Committee and their respective attendance of the seventeen (17) meetings which were held during the year 2020:

No.	Board of Directors Name	Designation / Position	BEC Meeting (2020) – Attendance																	Total	
			6- Jan	23- Mar	28- Apr	28- May	15- Jun	25- Jun	2- Jul	13- Aug	27- Aug	17- Sep	4- Oct	12- Oct	26- Nov	30- Nov	4- Dec	20- Dec	28- Dec		
1	Mr. Mohammed Abunayyan	Chairman	✓	✓	x	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	15	
2	Dr. Mohsen Khalil	Board Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	17
3	Mr. Omar Almidani	Board Director	✓	✓	x	✓	✓	x	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	14
4	Mr. Raid Ismail	Board Director	x	✓	x	✓	✓	x	✓	✓	✓	x	x	✓	x	x	x	✓	✓	✓	9
5	Mr. Esmail Al Sallom	Board Director	✓	✓	✓	✓	✓	x	x	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	14

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

Note: Due to a disclosed conflict of interest relating to standing members of the BEC, the Board nominated and approved for Board members, Messrs. Mohammed Al-Nahas and Abdullah Al-Rowais to attend two ad-hoc meetings on 28 April 2020 & 25 June 2020 along with the committee independent director to review and take a decision on specific investments (refer to the attendance table below).

D. The Nomination, Remuneration & Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee ('NRCGC') is composed of four members, appointed by the Board of Directors for a period not exceeding the term of the Board membership, consisting of two (2) non-executive Board members and two (2) independent non-Board members. In line with the CGRs, none of the committee members are executive Board members. 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.

The Committee has the required knowledge and expertise in fulfilling its entrusted duties and responsibilities and duties in supporting the Board in fulfilling its fiduciary responsibilities by providing assurance that the governance, leadership and human capital resources of the Company are fulfilled. Specifically, the Committee's key purpose is to assist the Board in discharging its oversight responsibility in respect of: (i) overseeing the evolution of the Company's governance culture, policies and practices; (ii) propose and endorse policies and standards for directorships; (iii) review the appropriate skills and qualifications required for the Board, Board Committees and Executive Management; (iv) review the structure of the Board, Board Committees and evaluate their effectiveness periodically; propose remuneration policies and assess their effectiveness periodically; and (v) fulfil any other tasks which the Board of Directors of may entrust to the committee. In addition, the NRCGC Chairman presents quarterly high-level updates to the Board to ensure that the committee's activities and endorsements are communicated.

Through self-assessment, the NRCGC 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 outlines the names of the members of the Nomination, Remuneration & Corporate Governance Committee and their respective attendance of the twenty (20) meetings which were held during the year 2020:

No.	Board of Directors Name	Designation/Position	NRC Meeting (2020) - Attendance										
			2-Mar Riyadh	15-Mar Riyadh	16-Apr Riyadh	29-Apr Riyadh	11-May Riyadh	28-May Riyadh	7-Jun Riyadh	9-Jul Riyadh	11-Aug Riyadh	19-Aug Riyadh	
1	Mr. Raid Ismail	X Chairman/Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x
2	Dr. Fahad Al Zahrani	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Mr. Johan Brand	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Mr. Thamer Al Sharhan	Chairman/X Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

No.	Board of Directors Name	Designation/Position	NRC Meeting (2020) - Attendance										Total
			9-Sep Riyadh	24-Sep Riyadh	5-Oct Riyadh	20-Oct Riyadh	21-Oct Riyadh	10-Nov Riyadh	23-Nov Riyadh	30-Nov Riyadh	24-Dec Riyadh	31-Dec Riyadh	
1	Mr. Raid Ismail	X Chairman/Member	✓	✓	✓	x	✓	✓	x	x	✓	✓	16
2	Dr. Fahad Al Zahrani	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	20
3	Mr. Johan Brand	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	20
4	Mr. Thamer Al Sharhan	Chairman/X Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	20

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

E. Conflict of Interest and Related Party Transaction Committee

The Conflict of Interest & Related Party Transaction Committee is composed of three (3) members, appointed by the Board of Directors for a period not exceeding the term of the Board membership, exclusively consisting of members of the Board of Directors whereby two (2) are non-executive Directors and one (1) is an independent Director. The Chairman of the Committee is an Independent Director.

The Committee has the required knowledge and expertise in fulfilling its entrusted duties and responsibilities to review and approve all conflict of interests and related party transactions that involve the Company's shareholders, board of directors and executive management, as stipulated in the board approved Committee charter and Related Party Transactions and Conflicts of Interest Policy ('RPTCI 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. The Chairman of the Committee 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 outlines the names of the members of the Conflict of Interest & Related Party Transaction Committee and their respective attendance of the six (6) meetings which were held during the year 2020:

No.	Name	Designation/Position	RPTC Meeting (2020) - Attendance						Total
			17-Mar Riyadh	8-Mar Riyadh	17-Jun Riyadh	6-Aug Riyadh	21-Sep Riyadh	30-Nov Riyadh	
1	Dr. Mohsen Khalil	Chairman	✓	✓	✓	✓	✓	✓	6
2	Mr. Raid Ismail	Member	✓	✓	✓	✓	✓	x	5
3	Mr. Abdullah Al Rowais	Member	✓	✓	✓	✓	✓	✓	6

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

8. Shareholders' General Assembly

Extraordinary general assembly meetings were held on 13 July 2020 and 16 November 2020.

9. 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; the Minister of Finance, H.E. Mohammed Al-Jadaan, and the Minister of Environment, Water & Agriculture, H.E. Abdulrahman Al-Fadley, for their continued support of the privatized 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 recognize 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,

Mohammad A. Abunayyan

Chairman of the Board of Directors