

Law No. (10) of 2003
Establishing the Emirates
Central Cooling Systems Corporation ¹

We, Maktoum bin Rashid Al Maktoum, Ruler of Dubai,

After perusal of:

Law No. (1) of 2000 Establishing the Dubai Technology and Media Free Zone; and
Decree No. (1) of 1992 Establishing Dubai Electricity and Water Authority,

Do hereby issue this Law.

Article (1)

This Law will be cited as "Law No. (10) of 2003 Establishing the Emirates Central Cooling Systems Corporation".

Article (2)

The following words and expressions will have the meaning indicated opposite each of them unless the context implies otherwise:

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| UAE: | The United Arab Emirates. |
| Emirate: | The Emirate of Dubai. |
| Free Zone: | The Dubai Technology and Media Free Zone. |
| Authority: | The Free Zone Authority. |
| DEWA: | The Dubai Electricity and Water Authority. |
| Municipality: | The Dubai Municipality. |

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¹ Every effort has been made to produce an accurate and complete English version of this legislation. However, for the purpose of its interpretation and application, reference must be made to the original Arabic text. In case of conflict the Arabic text will prevail.

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| Empower: | The Emirates Central Cooling Systems Corporation. |
| Board: | The Board of Directors of Empower. |
| Network: | Empower's Central District Cooling Network. |
| Person: | Any natural or legal person. |

Article (3)

Pursuant to this Law, a corporation named the "Emirates Central Cooling Systems Corporation" is established and equally co-owned by the Authority and DEWA. Empower will have legal personality and financial and administrative autonomy, and will conduct its business on a commercial basis. Empower will enter into contracts and undertake all acts and dispositions that ensure the achievement of its objectives. It will sue and be sued in its own name, and may appoint any person for this purpose as its representative in legal proceedings.

Article (4)

Empower will have its head office in the Emirate and may establish other branches within or outside of the UAE as permitted by law.

Article (5)

Empower will have the following objectives and goals:

1. to produce, in return for fees, chilled water and any other related derivatives for air-conditioning systems in commercial, residential and industrial buildings and any other facilities;
2. to own, manage, operate and maintain central cooling systems and all relevant transmission and distribution networks;
3. to carry out joint projects with any other parties to achieve the objectives set forth in the two preceding sub-paragraphs; and
4. to contribute to the preservation of natural resources, to the protection of the environment, and to adding value to development efforts in the Emirate.

Article (6)

The share capital of Empower is five hundred million dirhams (AED 500,000,000) paid by the Authority and DEWA in equal shares.

Article (7)

In managing its accounts and records, Empower will apply the rules and principles of financial accounting in accordance with recognised international standards. The financial year of Empower will commence on 1 January and will end on the 31

December of each year. The first financial year will commence on the day on which this Law comes into force and will end on 31 December of the following year.

Article (8)

The net profits of Empower will be equally distributed to the Authority and DEWA after deduction of all expenses and costs and allocation of ten percent (10%) of profits to the statutory reserve. Allocation of profits to the statutory reserve will cease once the statutory reserve reaches fifty percent (50%) of the share capital and must resume where it goes down below this percentage.

Article (9)

The Financial Audit Department will audit the accounts of Empower in accordance with the law establishing the Financial Audit Department.

Article (10)

For the purposes of this Law, the Authority and DEWA will be represented by their respective directors general.

Article (11)

Empower will be managed by a board of directors formed of six (6) members, including the Chairman, of whom three (3) members are appointed by the Director General of the Authority and the other three (3) members are appointed by the Director General of DEWA. The chairmanship of the Board will be rotated between the Authority and DEWA. The term of membership of the Board will be three (3) years, renewable upon expiry.

Article (12)

The Board will manage Empower and administer its affairs. It will undertake, without limitation, the following duties:

1. to lay down the general policy of Empower and approve the plans and projects necessary for achieving its objectives;
2. to approve the draft budget;
3. to obtain loans from any entity and provide all guarantees for such purpose;
4. to issue and supervise implementation of the regulations that govern the administrative, financial and technical affairs of Empower;
5. to approve the financial statements of Empower within a period not exceeding four (4) months from the end of each financial year;

6. to appoint the Director General and determine his powers and remuneration; and
7. to appoint the auditors and determine their powers and remuneration.

Article (13)

1. The Board will be convened by the Chairman at least once every two (2) months. The presence of four (4) members will constitute a quorum, provided that the Chairman is in attendance.
2. The Board resolutions will be passed by majority vote of the attending members. In case of a tie, the Chairman will have a casting vote. The Board resolutions will be recorded in minutes signed by the chair of the meeting and attending members.

Article (14)

The Board may form executive committees to assist in discharging its duties, and will determine the functions and powers of such committees. The Board may delegate some of its powers to any such committees or to any other person as it deems appropriate.

Article (15)

In the course of managing Empower and its operations by the Board, neither the Board nor its Chairman nor its members will be liable towards third parties for any act or omission in relation to such management. Empower will be solely liable for any such act or omission.

Article (16)

The Dubai Municipality and all relevant Government departments and entities must, free of charges, secure designated service passageways for the Network on the Emirate's roads and streets, in addition to all other facilities and services necessary or required for enabling Empower to achieve the objectives referred to in Article (5) of this Law, including the allocation of land and routes for the installation of central cooling plants and laying of the Network pipes.

Article (17)

Pursuant to this Law, Empower is exempted, to the extent permitted by the legislation applicable in the UAE, from taxes and customs duties on all imports, purchases, and other materials necessary for its operations and for the achievement of its objectives.

Article (18)

This Law will be published in the Official Gazette and will come into force on the day on which it is published.

Maktoum bin Rashid Al Maktoum
Ruler of Dubai

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Corresponding to 28 Ramadan 1424 A.H.