

Law No. (22) of 2022
Concerning the
Emirates Central Cooling Systems Corporation¹

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

After perusal of:

Federal Law No. (7) of 1999 Issuing the Pensions and Social Security Law and its amendments;

Federal Law by Decree No. (32) of 2021 Concerning Commercial Companies;

Law No. (10) of 2003 Establishing the Emirates Central Cooling Systems Corporation and its amendments;

Law No. (19) of 2009 Establishing the Supreme Council of Energy;

Law No. (12) of 2010 Concerning Protection of the Service Network of the Emirates Central Cooling Systems Corporation;

Law No. (27) of 2021 Concerning the Dubai Electricity and Water Authority;

Law No. (5) of 2021 Concerning the Dubai International Financial Centre;

Decree No. (19) of 2022 Transferring the Shares of the Dubai Development Authority in the Emirates Central Cooling Systems Corporation to the Emirates Power Investment LLC;

Executive Council Resolution No. (6) of 2021 Regulating the Provision of District Cooling Services in the Emirate of Dubai; and

The Legislation establishing and regulating free zones in the Emirate of Dubai,

Do hereby issue this Law.

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¹Every 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.

Definitions

Article (1)

The following words and expressions, wherever mentioned in this Law, will have the meaning indicated opposite each of them unless the context implies otherwise:

UAE:	The United Arab Emirates.
Emirate:	The Emirate of Dubai.
Government:	The Government of Dubai.
DEWA:	The Dubai Electricity and Water Authority PJSC.
EPI:	Emirates Power Investment LLC.
Empower:	The Emirates Central Cooling Systems Corporation established pursuant to the above-mentioned Law No. (10) of 2003.
Government Entity:	Any of the Government departments, public agencies or corporations, Government councils or authorities, or other entities affiliated to the Government.
Company:	The Emirates Central Cooling Systems Corporation PJSC.
General Assembly:	The general assembly of the Company.
Articles of Association:	The articles of association of the Company.
Board of Directors:	The board of directors of the Company.
CEO:	The chief executive officer of the Company.
Network:	The Central District Cooling Network of the Company.
Companies Law:	Federal Law by Decree No. (32) of 2021 Concerning Commercial Companies.

**Legal Form Change
Article (2)**

- a. The legal form of Empower is hereby changed into a public joint stock company named the "Emirates Central Cooling Systems Corporation PJSC". The Company will have legal personality and financial and administrative autonomy and the full legal capacity to conduct its activities and achieve its objectives, in accordance with this Law, the Articles of Association, and the legislation in force in the Emirate.
- b. The name "Emirates Central Cooling Systems Corporation", wherever mentioned in any legislation in force in the Emirate, is hereby replaced by the name "Emirates Central Cooling Systems Corporation PJSC".

**Succession and Transfer
Article (3)**

- a. The Company hereby succeeds Empower in respect of implementing all the legislation in force in the Emirate. The Company will exercise all the functions of Empower under that legislation, throughout the Emirate, including in Special Development Zones and free zones, such as the Dubai International Financial Centre.
- b. All the rights, assets, property, tangible and intangible assets, agreements, concessions, obligations, companies, guarantees, and undertakings of Empower, within or outside of the Emirate, are hereby transferred to the Company.
- c. All the assets, rights, and obligations to be transferred to the Company will be conveyed to, and registered in the name of, the Company or any company owned or affiliated to it, in accordance with the legislation in force in the Emirate. Concerned Government Entities must, upon the request of the Company, take the necessary action to complete the conveyance and registration process.

**Head Office of the Company
Article (4)**

The head office of the Company will be located in the Emirate. Other branches and offices of the Company may be established within or outside of the Emirate as determined in the Articles of Association.

Share Capital and Shares of the Company

Article (5)

- a. The issued and paid-up share capital of the Company is one billion dirhams (AED 1,000,000,000.00), divided into ten billion (10,000,000,000) shares. The nominal value of each share is ten fils (AED 0.10).
- b. Shares will be owned by, and distributed between, DEWA and EPI as per the following percentages:
 1. DEWA holds seven billion (7,000,000,000) shares, representing seventy percent (70%) of the share capital; and
 2. EPI holds three billion (3,000,000,000) shares, representing thirty percent (30%) of the share capital.
- c. The nominal value of shares set forth in paragraph (a) of this Article may be modified by unanimous vote of the Board of Directors.
- d. The Board of Directors may determine a percentage of shares that may be transferred to other parties through subscription. However, the Board of Directors must issue a unanimous decision in this respect.
- e. The liability of the Company will be limited to its paid-up capital. The liability of shareholders will be limited to the nominal value of the shares they own.

Term of the Company

Article (6)

The term of the Company is ninety-nine (99) years commencing from the date of its registration on the commercial register in accordance with the legislation in force in the Emirate. This term will be automatically renewed for the same period in accordance with the provisions of the Articles of Association.

Objectives and Powers of the Company

Article (7)

- a. The Company will have the following objectives:
 1. to undertake, in return for fees, the production of chilled water and conduct of any other activities related to air-conditioning systems in commercial, residential and industrial buildings and any other facilities;

2. to own, manage, operate, maintain, and rent out central or decentralised cooling system equipment and the relevant transmission and distribution networks and other equipment;
 3. to implement joint projects with any others to achieve the objectives stated in sub-paragraphs (a)(1) and (a)(2);
 4. to invest in projects that contribute to the preservation of natural resources, to the protection of the environment, and to adding value to development efforts in the Emirate; and
 5. to achieve any other objectives determined in the Articles of Association.
- b. For the purpose of achieving the objectives mentioned in paragraph (a) of this Article, the Company may:
1. contract with others to construct chilled water production plants and networks, and to procure chilled water production equipment, within or outside of the Emirate;
 2. establish companies wholly or partially owned by it, or directly or indirectly hold shares in any companies related to its objectives within or outside of the UAE;
 3. own, possess, take lease of, and lease out real property, land, assets, machinery, and equipment as required for the achievement of its objectives; and dispose of the same in any legal manner, including mortgage;
 4. invest and use its property in any commercial, financial, service, or industrial fields;
 5. borrow money and issue bonds and sukuk, with or without security, in accordance with the Articles of Association; and
 6. perform any other work or activities which are directly or indirectly related to the achievement of its objectives, as stipulated in the Articles of Association.

Articles of Association of the Company
Article (8)

- a. Without prejudice to the provisions of this Law and other legislation in force in the Emirate, the Articles of Association will be approved pursuant to a resolution issued by the General Assembly upon the recommendation of the Board of Directors. The Articles of Association must determine all matters related to regulating the Company affairs, particularly the following:

1. the procedures for increasing or reducing the share capital of the Company;
 2. the procedures for obtaining loans from banking and financial institutions;
 3. the revenues of the Company;
 4. the formation of the General Assembly and determination of its functions;
 5. the budget and Financial Year of the Company;
 6. the procedures for distributing profits and losses;
 7. the procedures for establishing branches of the Company within or outside of the UAE;
 8. the formation and terms of reference of the Board of Directors;
 9. the disposal of the Company assets and management of its property and revenues;
 10. the issuance, types, ownership and trading rules, and related rights of the shares;
 11. the issuance and trading of bonds and *sukuk*;
 12. the appointment of Company auditors and determination of their functions and obligations; and
 13. the dissolution and liquidation of the Company.
- b. The General Assembly will be authorised to amend the Articles of Association whether the Company remains wholly owned by DEWA and EPI or the shares of the Company are offered for subscription.

Subscription for and Ownership of Shares **Article (9)**

Where the Company shares are offered for subscription, natural and legal persons may acquire shares in the Company. Subscription will be made in accordance with the legislation in force in the Emirate.

Board of Directors and CEO
Article (10)

- a. The Company will have a Board of Directors comprised of seven (7) members, including the chairman and vice chairman of the Board of Directors. The first Board of Directors of the Company will be formed pursuant to a resolution of the General Assembly, and will be comprised of three (3) members appointed by DEWA, including the chairman of the Board of Directors; one (1) member appointed by the EPI; and three (3) independent members, including a female member.
- b. The Articles of Association will determine the method of formation and reconstitution, and the term of membership, of subsequent Boards of Directors. The formation of Boards of Directors must reflect ownership rights in the Company, and must be in compliance with the legislation in force in the Emirate.
- c. The Company will have a CEO, who will be appointed, and may be dismissed, pursuant to a resolution of the Board of Directors. The CEO will undertake direct supervision of the Company; perform his functions under this Law, the Articles of Association, and the legislation in force in the Emirate; and exercise the duties and powers assigned or delegated to him by the Board of Directors.

Functions of the Board of Directors
Article (11)

- a. The Board of Directors will undertake general supervision of the Company and manage its affairs, and will perform the Board of Directors functions under this Law, the Articles of Association, and the legislation in force in the Emirate, including the Companies Law. In particular, the Board of Directors will:
 1. approve, and follow up the implementation of, the strategic plans and policies of the Company;
 2. supervise the achievement by the Company of its objectives;
 3. approve the fees and tariffs for the services the Company provides, and submit the same to the competent entity in the Emirate for final approval;
 4. issue the financial, administrative, technical, and procurement bylaws of the Company and manage its assets;
 5. approve the organisational structure of the Company;
 6. divide, assign, transfer, amalgamate, merge, sell, and mortgage or pledge any of the property and assets of the Company, or of the companies owned by it, or

- the property and assets of any of its affiliates or subsidiaries; and assign or dispose of the same in any legal manner;
7. authorise the Company, and the companies owned by it, its affiliates, or its subsidiaries, to perform any investment, borrowing, or lending transactions; to provide guarantees and security; or to issue bonds, sukuk, or any other debt instruments, in accordance with the legislation in force in the Emirate;
 8. acquire or merge companies and establishments and determine the acquisition value;
 9. form permanent and temporary committees and work teams, and determine their duties and powers; and
 10. exercise any other functions determined by the Articles of Association, as required to enable the Company to achieve its objectives.
- b. Except for the powers vested in it under sub-paragraphs (a)(4), (a)(6), (a)(7), and (a)(8) of this Article, the Board of Directors may delegate any of its powers under paragraph (a) of this Article or under the Articles of Association to its chairman, to any of its members, to any committees it forms, or to the CEO, provided that such delegation is specific and in writing.

Human Resources of the Company Article (12)

- a. As of the effective date of this Law, all employees of Empower will be transferred to the Company without prejudice to their existing rights. These employees will be governed by the relevant bylaws in force at Empower until the regulations referred to in paragraph (c) of this Article are issued.
- b. Upon their transfer to the Company, the period of service of the UAE National Employees of Empower preceding the effective date of this Law will be deemed uninterrupted and will form part of their service with the Company. The Company will be deemed as a Government sector Employer for the purpose of calculating the retirement pension benefits or end-of-service gratuity of these Employees in accordance with the above-mentioned Federal Law No. (7) of 1999.
- c. Subject to the legislation in force in the Emirate, the employees of the Company will be governed by the human resource regulations adopted by the Board of Directors.

Financial Resources of the Company

Article (13)

The financial resources of the Company will consist of:

1. proceeds from the sale of central cooling services;
2. proceeds from fees, charges, tariffs, and prices collected in return for the services it provides;
3. returns on the investment of its property; its profits; and the profits of the companies owned by it, affiliated to it, or in which it holds shares; and
4. any other financial resources approved by the Board of Directors.

Approval of Tariffs, Fees, and Security Deposits

Article (14)

A resolution of the Board of Directors will determine the following:

1. the tariffs and charges for the central cooling services offered by the Company, provided that they are approved by the competent entity in the Emirate; and
2. the fees and security deposits to be collected by the Company in return for the services it provides.

Protection of the Network

Article (15)

The provisions of the above-mentioned Law No. (12) of 2010 and the resolutions issued in pursuance thereof will apply to all matters related to the protection of the Network.

Cooperation with the Company

Article (16)

- a. All Government Entities must, upon request, fully cooperate with the Company to enable it to achieve its objectives and exercise its functions under this Law, the Articles of Association, and the legislation in force in the Emirate.
- b. Concerned Government Entities will, free of charge, secure designated service passageways for the Network on the roads of the Emirate; and allocate land to the Company for the construction of central cooling plants, in addition to providing other facilities and services as necessary or required for enabling the Company to achieve

its objectives. This land will be allocated, and the facilities and services will be provided, to the Company in accordance with the legislation in force in the Emirate.

Consideration of Pending Claims Article (17)

Without the need for any further action as a result of the change of Empower's legal form pursuant to this Law, all types and levels of courts, judicial authorities, and arbitration centres, including the Dubai International Financial Centre Courts, will continue to consider the claims, applications, and appeals to which Empower is a party, until these claims, applications, or appeals are determined by final definitive judgements.

Government Non-liability Article (18)

The Government will not be held liable to third parties for any debts or obligations arising from the conduct by the Company of its activities.

Repeals Article (19)

- a. The above-mentioned Law No. (10) of 2003 is hereby repealed. Any provision in any other legislation will also be repealed to the extent that it contradicts the provisions of this Law.
- b. The legislation applicable to Empower by the effective date of this Law will remain in force to the extent that it does not contradict the provisions of this Law, until new superseding legislation is issued.

Publication and Commencement Article (20)

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

Mohammed bin Rashid Al Maktoum
Ruler of Dubai

Issued in Dubai on 14 October 2022

Corresponding to 18 Rabi al-Awwal 1444 A.H.