



مكتب التنظيم والرقابة
Regulation & Supervision Bureau

Regulation & Supervision Bureau

Water and Electricity Sector

Emirate of Abu Dhabi

Wastewater Treatment Licence

Issued To:

**Al Etihad Biwater Waste Water
Company (PJSC)**

Licence

Document ED/L01/020

Al Etihad Biwater Waste Water Company (PJSC)

Wastewater Treatment Licence

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WASTEWATER TREATMENT LICENCE

PART I. THE LICENCE

1. Grant of Licence

The Bureau hereby grants a licence to the **Al Etihad Biwater Waste Water Company (PJSC)** to carry out the activities referred to in paragraph 4 below.

This licence is granted in exercise of the powers conferred on the Bureau by Article (82) of Law No (2).

2. Conditions of Licence

This licence is granted subject to the conditions in Part II of this licence and for the period referred to in paragraph 3 below.

This licence is subject to modification in accordance with its terms or with Article (98) of Law No (2).

This licence is also subject to revocation in accordance with Condition 12 below.

3. Licence term

This Licence shall come into force on 17 June 2008 and, unless revoked in accordance with the provisions of Condition 12, shall continue until it is terminated by not less than 25 years notice in writing by the Bureau to the Licensee.

4. Licensed activities

The activities permitted to be carried out by the Licensee pursuant to this licence are:

- (a) the treatment of wastewater up to a maximum flow of **345,000 cubic metres per day (m³/d)** at Al Wathba wastewater treatment plant in the Emirate of Abu Dhabi; and
- (b) the treatment of wastewater up to a maximum flow of **92,000 cubic metres per day (m³/d)** at Al Saad wastewater treatment plant in the Emirate of Abu Dhabi.

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5. Definitions

The following words and expressions used in this licence shall have the following meanings:

Affiliate: in relation to the Licensee means any holding company or subsidiary of the Licensee or any subsidiary of a holding company of the Licensee;

Bureau: means the Regulation and Supervision Bureau for the Water, Wastewater and Electricity Sector as established under the Law;

Condition: means a condition set out in Part II of this licence (as modified from time to time);

Law: means Law No (2) of 1998 and Law No (19) of 2007 and Law No (17) of 2005 concerning the Establishment of Abu Dhabi Sewerage Services Company and Law No (18) concerning the amendment of some provisions of Law No (17) of 2005;

Law No (2): means Law No (2) of 1998 concerning the Regulation of the Water and Electricity Sector in the Emirate of Abu Dhabi as amended by the issue of Law No (19) of 2007 concerning the amendment of some provisions of Law No (2) of 1998 and as amended from time to time;

Law No (17): means Law No (17) of 2005 concerning the Establishment of Abu Dhabi Sewerage Services Company as amended by Law No (18) of 2007; concerning the amendment of some provisions of Law No (17) of 2005 and as amended from time to time;

Licensee's System: means the plant and equipment owned and/or operated by the Licensee and used for the Wastewater Treatment Business;

Licensed Activities: means the activities permitted to be carried out by the Licensee pursuant to the terms of this Licence;

Licensee: means the person to whom this licence is granted;

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Related Undertaking: means, in relation to the Licensee, any undertaking in which the Licensee has a participating interest, amounting to thirty percent (30%) or more of such undertaking's share capital or in respect of which the Licensee has the right to appoint a majority of the directors to that undertaking;

Wastewater Treatment Business: means the authorised business of the Licensee or any Affiliate or Related Undertaking in the regulated activity of treatment and processing of wastewater.

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6. Interpretation

For the purpose of this licence:

- (a) where any obligation of the Licensee is required to be performed within a specified time limit that obligation shall be deemed to continue after that time limit if the Licensee fails to comply with that obligation within that time limit;
- (b) in construing a Condition or paragraph, the heading or title of any Condition or paragraph shall be disregarded;
- (c) unless the context otherwise admits, any reference to a numbered Condition is a reference to the Condition bearing that number or prefix in this Licence and any reference to a paragraph is to the paragraph bearing that number or prefix in the Condition in which the reference occurs; and
- (d) terms used in this Licence shall unless the context otherwise admits have the same meaning as ascribed to them in the Law.
- (e) words in the singular include the plural and those in the plural include the singular.

GRANTED BY

17 June 2008

**Nicholas Carter
Director General**

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WASTEWATER TREATMENT CONDITIONS

PART II

Condition 1) Part II Conditions

The Conditions in this Part II shall apply to the Licensed Activities forming the Wastewater Treatment Business of the Licensee.

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Condition 2) Prohibited Activities

1. The Licensee shall not and shall procure that any Affiliate or Related Undertaking of the Licensee shall not, on its own account (or that of the Licensee or of any Affiliate or Related Undertaking of the Licensee as the case may be):
 - a) engage in the regulated activity of the collection of sewage from premises (“sewerage”);
 - b) engage in the regulated activity of disposal of wastewater and sewage (“disposal”);
 - c) treat volumes of wastewater in excess of the quantities given in Part I, paragraph 4 a) and b) of this licence;
 - d) engage in any other regulated activity as described in the Law; or
 - e) without consent in writing of the Bureau, hold any economic interest, whether by the ownership of shares or otherwise, in entities which, on their own account or in combination with other entities, provide more in aggregate than 25% of the wastewater treatment capacity of the treatment facilities in the Emirate of Abu Dhabi.
2. The Licensee shall not without the prior written consent of the Bureau carry on any activities other than the Licensed Activities or those other activities necessarily ancillary thereto.
3. The Licensee shall conduct the Licensed Activities at all times in accordance with the Law.

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Condition 3) Wastewater Treatment Capacity Availability

The Licensee shall make all of the licensed wastewater treatment capacity of its Wastewater Treatment Business, as described in Part I, paragraph 4 a) and b) of this Licence, available to a licensed sewerage services operator, for the purposes of receipt of influent and the disposal of effluent.

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Condition 4) Compliance with Operational Codes

1. The Licensee shall comply with the provisions of any relevant operational codes issued or approved by the Bureau, in so far as applicable to it.
2. The Bureau may issue directions relieving the Licensee of its obligations under paragraph 1 in respect of such parts of such codes and to such extent as may be specified in any such directions.

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Condition 5) Disposal of Assets or Relinquishment of Operational Control

1. The Licensee shall not dispose or relinquish operational control over any relevant asset otherwise than in accordance with the following paragraphs of this Condition.
2. Save as provided in paragraph 3, the Licensee shall give to the Bureau not less than two months prior written notice of its intention to dispose of or relinquish operational control over any relevant asset, together with such further information as the Bureau may request relating to such asset or the circumstances of such intended disposal or relinquishment of control or to the intentions in regard thereto of the person proposing to acquire such asset or operational control over such asset.
3. Notwithstanding paragraphs 1 and 2, the Licensee may dispose of or relinquish operational control over any relevant asset:
 - (a) where:
 - (i) the Bureau has issued directions for the purposes of this Condition containing a general consent (whether or not subject to conditions) to:
 - (A) transactions of a specified description; and/or
 - (B) the disposal of or relinquishment of operational control over relevant assets of a specified description; and
 - (ii) the transaction or the relevant assets are of a description to which such directions apply and the disposal or relinquishment is in accordance with any conditions to which the consent is subject;
 - (b) under such contracts or agreements, or contracts or agreements of such a description, as may have been designated by the Bureau for the purposes of this Condition;
 - (c) where the disposal or relinquishment of operational control in question is required by or under any enactment or subordinate legislation or pursuant to the Law.
4. Notwithstanding paragraph 1, the Licensee may dispose of or relinquish operational control over any relevant asset as is

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specified in any notice given under paragraph 2 in circumstances where:-

- (a) the Bureau confirms in writing that it consents to such disposal or relinquishment (which consent may be made subject to the acceptance by the Licensee or any third party in favour of whom the relevant asset is proposed to be disposed or operational control is proposed to be relinquished of such conditions as to the Bureau may specify); or
- (b) the Bureau does not inform the Licensee in writing of any objection to such disposal or relinquishment of operational control within the notice period referred to in paragraph 2.

In this Condition:

Disposal includes any sale, gift, lease, licence, loan, mortgage, charge or the grant of an other encumbrance or the permitting of an encumbrance to subsist or any other disposition to a third party, and **dispose** shall be construed accordingly.

Relevant asset means any asset for the time being forming part of the Licensee's System and any legal or beneficial interest in land upon which any of the foregoing is situate.

Operational control means the direct control by the Licensee over the performance of the Licensed Activities, and for the avoidance of doubt Operational Control is relinquished when responsibility for performance of the Licensed Activities, or any substantial part thereof, is sub-contracted by the Licensee to a third party.

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Condition 6) Provision of Information to the Bureau

1. Subject to paragraph 3, the Licensee shall furnish to the Bureau, in such manner and at such times as the Bureau may require, such information and shall procure and furnish to it such reports, as the Bureau may consider necessary in the light of the Conditions or as it may require for the purpose of performing:-
 - (a) the functions assigned to it by or under the Law; and
 - (b) any functions transferred to it under the Law.
2. The Licensee shall, no later than 30 June each year, prepare and submit to the Bureau, a copy of its accounting statements for its licensed activities for the preceding financial year, comprising a profit and loss account, cash flow statement and balance sheet together with notes thereto and a copy of an auditor's report in relation to such statements.

In this Condition:

Information shall include any documents, accounts, estimates, returns or reports (whether or not prepared specifically at the request of the Bureau) of any description specified by the Bureau.

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Condition 7) Insurance against Third Party Liability

1. The Licensee shall, in respect of its Licensed Activities, maintain insurance (including self insurance) against third party liabilities on terms approved by the Bureau (including but without limitation, with respect to type, cover, level and identity of insurer) with any modification as may be required pursuant to paragraph 3.
2. The Licensee shall, except as the Bureau may otherwise consent, procure that every insurance policy maintained pursuant to paragraph 1 shall bear an endorsement to the effect that 30 days notice shall be given to the Bureau by the insurer or insurance broker of any lapse or cancellation of, or material change to, the policy.
3. Where the Bureau notifies the Licensee that the Bureau requires any modification of the insurance approved by the Bureau pursuant to paragraph 1 the Licensee shall, no later than 60 days (or such longer period as the Bureau may approve) from the date of the notice, procure that such modification is made.

In this Condition:

Self insurance means the Licensee's financial capacity to meet any liability to a third party in respect of which the Licensee does not otherwise have insurance.

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Condition 8) Health and safety

1. The Licensee shall, taking due account of any guidance issued to it by the Bureau and applicable health and safety standards prevailing in the Emirate of Abu Dhabi, establish a written policy designed to protect the health and safety of the general public and persons employed directly or indirectly or allowed to work on the Licensee's System by the Licensee from the effect of the Licensed Activities, together with operational objectives and management arrangements to give effect to such policy. The Licensee shall review the policy, the operational objectives and management arrangements periodically and otherwise as appropriate.
2. The Licensee shall, upon the establishment and any material change of them, promptly send the Bureau a copy of the amended policy together with a general description of the operational objectives and management arrangements.
3. The Licensee shall act with regard to the policy and operational objectives and use its reasonable endeavours to operate the management arrangements effectively.

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Condition 9) Environmental Matters

1. The Licensee shall, taking due account of any guidance issued to the Licensee by the Bureau and of any applicable environmental standards prevailing in the Emirate of Abu Dhabi, establish a written policy designed to protect the environment from the effect of the Licensed Activities, together with operational objectives and management arrangements to give effect to such policy. The Licensee shall review the policy, the operational objectives and management arrangements periodically and otherwise as appropriate.
2. The Licensee shall, upon the establishment and any material change of them, promptly send the Bureau a copy of the amended policy together with a general description of the operational objectives and management arrangements.
3. The Licensee shall act with regard to the policy and operational objectives and use reasonable endeavours to operate the management arrangements effectively.

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Condition 10) Fees

1. The Licensee shall, at the times stated hereunder, pay to the Bureau fees of the amount specified in, or determined under, the following paragraphs of this Condition.
2. The Licensee shall pay the fees to the Bureau in accordance with its Current Scale of Charges and Services publication, as determined, prepared and published by the Bureau from time to time.
3. The fees shall be paid by the Licensee to the Bureau within one month of the Bureau giving notice to the Licensee of its charges in writing.

In this Condition:

Current Scale of Charges and Services means the publication prepared and issued by the Bureau to all Licensed Operators, identifying the fee structure and charges for all licence holders, as from time to time revised and amended by the Bureau.

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Condition 11) Regulations

The Licensee shall comply with all regulations issued by the Bureau pursuant to Article (62) of Law No (2) in so far as applicable.

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Condition 12) Revocation

1. The Bureau may at any time revoke this licence by not less than 30 days notice in writing to the Licensee:
 - (a) if the Licensee agrees in writing with the Bureau that this licence should be revoked;
 - (b) if any amount payable under Condition 10 is unpaid 30 days after it has become due and remains unpaid for a period of 30 days after the Bureau has given the Licensee notice that the payment is overdue;
 - (c) if the Licensee fails to comply with a preliminary order (within the meaning of Article (107) of Law No (2)) or with a final order (within the meaning of Article (106) of Law No (2)) or an order which has been confirmed under Article (109) of Law No (2) and (in any such case) such failure is not rectified to the satisfaction of the Bureau within 3 months after the Bureau has given notice to the Licensee provided that no notice shall be given by the Bureau before the expiration of the period within which an application under Article (121) of Law No (2) could be made questioning the validity of the final or preliminary order or before the proceedings relating to any such application are finally determined;
 - (d) if the Licensee ceases to carry on its business in the Licensed Activities;
 - (e) if the Licensee:
 - (i) has been adjudicated insolvent or if the general assembly passes a resolution to wind up the Licensee or if the Licensee suffers a loss of 50% of the share capital and a resolution to wind up the Licensee is passed by the shareholders representing at least 25% of the share capital of the Licensee;
 - (ii) suffers a change in its control;
 - (f) if the Licensee is convicted of having committed an offence under Article (135) of Law No (2) in making its application for this Licence;
 - (g) on the expiry of the duration of the existence of the Licensee as specified in its memorandum and articles of association; or

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(h) on the dissolution of the Licensee by the operation of law on its merger with another entity.

2. For the purpose of paragraph 1(e)(ii) of this Condition:

(a) there is a change in the control of the Licensee whenever a person obtains control of the Licensee who did not have control of the Licensee when this licence was granted; and

(b) **control** means in respect of a person by another, that that other (whether alone or with others and whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise):

(i) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that person or of any other person; or

(ii) controls or has the power to control the affairs and policies of that person or of any other person which controls that person; or

(iii) is the parent undertaking of that person or of any other person which controls that person; or

(iv) possesses or is, or will be at a future date, entitled to acquire:

(A) 30% or more of the share capital or issued share capital of, or of the voting power in, that person or any other person which controls that person; or

(B) such part of the issued share capital of that person or any other person which controls that person as would, if the whole of the income of such person were in fact distributed, entitle him to receive 30% or more of the amount so distributed; or

(C) such rights as would, in the event of the winding-up of that person or any other person which controls that person or in any other circumstances, entitle him to receive 30% or more of the assets of such person which would then be available for distribution,

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and, for those purposes, there shall be attributed to any person the rights or powers of any nominee of his and the rights and powers of any one or more persons which he, or he and associates of his, controls and of any one or more associates of his.

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Condition 13) Avoidance of Public Nuisance

1. The Licensee shall take all reasonable measures to plan, design, construct, operate and maintain the Licensee's System so as to minimise public nuisances such as wastewater flooding and odour emissions arising from the Licensed Activities.
2. The Licensee shall keep a record of all complaints associated with public nuisance.
3. The Licensee shall take all necessary steps (in an efficient and timely manner) to remedy such complaints under paragraph 2.
4. The Licensee shall furnish the Bureau with such information as to matters relating to compliance with this Condition as the Bureau may from time to time direct.

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Condition 14) Transfer of Licence

1. The Licensee or any Authorised Person is hereby authorised to transfer the licence, subject to the conditions below.
2. The licence shall not be capable of being transferred except with the prior written consent of the Bureau.
3. In deciding whether to give its consent under paragraph 2, the Bureau shall apply the same criteria as it would apply if it were deciding whether to grant a corresponding licence to the transferee and the Bureau may require the transferee to provide the same information as it would require if the transferee were applying for the corresponding licence.
4. A consent under paragraph 2 may be given subject to compliance with:
 - (a) Such modifications or other conditions as the Bureau considers necessary or expedient for the purpose of protecting the interests of consumers; and
 - (b) Such incidental or consequential modifications or conditions as it considers necessary or expedient.

In this Condition:

Authorised person means any person (individual or corporate) acting on behalf of the Licensee pursuant to a security power of attorney, assignment or other security document that has previously received the consent of the Bureau pursuant to Article (127) of the Law.

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