

ANNUAL REPORT 2016



TAQA MOROCCO, MAJOR INDEPENDENT POWER PRODUCER

A major actor in the energy sector in Morocco, listed on the Casablanca Stock Exchange, TAQA Morocco is the leading Independent Power Producer in the Kingdom, providing in the area around 50% of the national electricity production.

Part of the TAQA Group, a worldwide leader in energy production and one of the largest foreign investors in Morocco, TAQA Morocco operates the largest independent coal-fired thermal power plant in the MENA region, placing it in the worldwide top quartile of the best thermal power plants.

With its 480 employees and six production units with a capacity of 2,056 MW, the Jorf Lasfar Thermal Power Plant is the main supplier of the ONEE (National Electricity and Drinking Water Bureau), and its efficient installations have an availability rate above 90%.

This optimal yield and reliability are guaranteed by a rigorous preventive maintenance program, and by the expertise and know-how of the human capital.

A true economic and social contributor in Morocco, TAQA Morocco is a committed actor, both regionally and nationally: investment with the completion of the Thermal power plant's extension, improvement of industrial performances, job creation and social development within the country.

TAQA Morocco has a true Corporate Social Responsibility policy that aims to strengthen the links with all stakeholders, to anticipate regulations, to promote the human capital, to continuously improve its environmental performances and to support local development while implementing an active policy of civic actions in the vicinity.

A mainstay of the Kingdom's economic and social landscape and operating in a constantly evolving sector, TAQA Morocco is striving to support the energy mix both nationally and regionally, by producing electricity at the best cost, while respecting safety and the environment, and through putting its know-how and expertise in the service of the momentum for growth.



INSTITUTIONALIZATION AND ANCHORING WITHIN THE MOROCCAN ECONOMIC LANDSCAPE

TAQA Morocco has been listed on the Casablanca Bourse since 24 December 2013.

The IPO involved an opening of the capital in the amount of 1 billion dirhams, for a valuation of 9 billion dirhams.

**More than
60%
of the capital
increase operation
reserved to
Moroccan
institutionals**

The company also carried out a pre-IPO private investment operation involving nearly 500 million dirhams, which enabled three major marketplace institutionals to take an interest in the company's capital: RMA Watanya, the Société Centrale de Réassurance and the Mutuelle Centrale Marocaine d'Assurance.

Today, as a security with solid historical performance, TAQA Morocco is active in a sector with high growth potential, and it relies on a secure business plan covering the next 30 years.

The leading energy producer in Morocco, TAQA Morocco is destined to grow on the basis of a shareholding within Morocco and the Emirates, that should serve to anchor the company within the Moroccan economic fabric, while opening the capital to the country's major institutionals and to investors wishing to participate in the national and regional energy development.

Since the IPO, the TAQA Morocco share price has seen sustained and lasting growth, which is indicative of the confidence of our investors in our objectives, and in our past accomplishments.

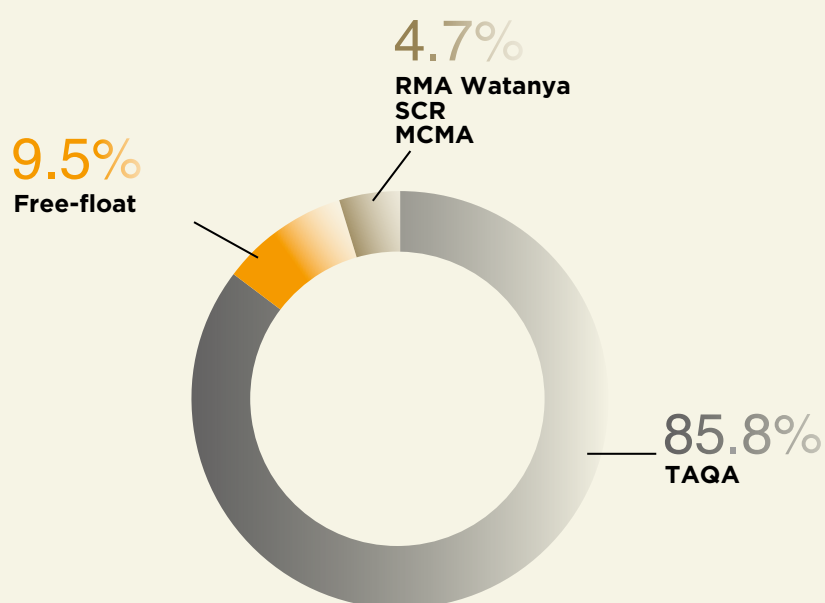
TAQA Morocco now has the 9th largest market capitalisation in Morocco.

TAQA, ONE OF THE LARGEST FOREIGN INVESTORS IN MOROCCO

Since its creation in 2005, TAQA has become a worldwide reference in its field and one of the largest companies listed on the Abu Dhabi Bourse with a balance sheet total of more than 28.5 billion dollars and 17,410 MW of installed capacity. The TAQA Group is one of the largest foreign investors in Morocco.

SHARE OWNERSHIP

The TAQA company is 75% held by the UAE public group ADWEA (Abu Dhabi Water and Electricity Authority).





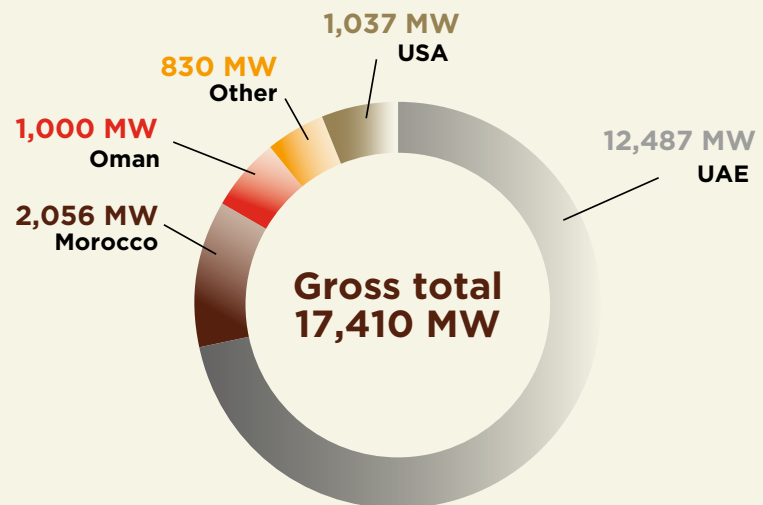
WORLDWIDE PRESENCE

With top tier technical and operational expertise on a worldwide level, TAQA has extended its scope of action to activities associated with sectors including Oil & Gas, Power & Water, and infrastructures for the transportation and storage of Oil & Gas products in the MENA region, India, Europe and North America.

TAQA now employs 2,800 people in 11 countries of Asia, Africa, North America and Europe.

ACTIVITY

Rated A3 by Moody's and A by Standard & Poor's, TAQA is an Integrated Group, structured into 2 business segments:



Oil and Gas

The TAQA Group is involved in the exploration, development and production of crude oil, natural and liquid gas, as well as the storage, processing and transportation of oil & gas.

Power and Water

The TAQA Group provides more than 90% of the power & water consumed in the Emirate of Abu Dhabi, while its international activities include more than 17,410 MW of installed capacity on 4 continents.



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Lasting performance and contribution

« Our Group is now a true cornerstone of the Moroccan economy as a result of its investment, commitment to improving the local industrial sector, its contribution to the creation of jobs that provide training and its mobilization as a socially responsible company ».

A WORD FROM THE CHAIRMAN

**Mr. ABDELMAJID
IRAQUI HOUSSAINI**



« Building on its solid historical performance, an objective of perpetuating its activity and its leading position, TAQA Morocco has undergone a major transformation while implementing a strategy for the continuous improvement of all of its processes: improvement of the installations, preventive maintenance, organisation, cost control programme, training and expertise of the human capital; these are some of the commitments that are strongly contributing to the sustained operational and financial performance.

Relying on a secure business plan and on improving the value chain of its activity, TAQA Morocco is working to provide its shareholders with the best rate of return. Our Group is now a true cornerstone of the Moroccan economy as a result of its investment, commitment to developing the local industrial sector, its contribution to the creation of jobs that provide training and its mobilization as a socially responsible company.

Our main mission is also to be an operator that controls its ecological impact and places the environment at the heart of its operating method.

We owe our performance to the talent and know-how of our human resources. Committed women and men who, through their skills and a shared sense of culture and strong company values, are advancing towards the

same objective. Results that are also confirming the reliability of our industrial tool, which is the subject of a maintenance policy that aligns with international best practices.

All of our key indicators are up relative to the forecasts: good operational performance with an overall availability rate of 92.5%; improving financial results relative to the previous year while surpassing our objectives indicated in the business plan; a share price that has seen positive growth, thereby confirming the confidence of our shareholders and investors; a distribution of dividends that is up by 23% relative to 2015, representing a dividend yield of 4.7%.

This success is the fruit of the involvement and mobilization of our personnel on all levels of the company, combined with a true policy for continuously improving its activity: remarkable know-how and technical proficiency that I can't praise highly enough.

Building on its expertise, TAQA Morocco will continue its efforts to produce interim results for 2017 that aligned with the business plan, with the intention of positioning itself in the development of the energy sector in Morocco and in Africa.

Indeed, in a constantly evolving sector, the ambition of TAQA Morocco is to grow while accompanying and fully taking its place in renewable energies including wind turbines, as part of contributing to the growth momentum that the region is experiencing. »

“ OUR GROUP IS NOW A
TRUE CORNERSTONE OF THE
MOROCCAN ECONOMY... ”

MANAGEMENT TEAM



Omar Alaoui M'Hamdi

Executive Vice President in charge of the Finance
and Development Division
Member of the Executive Board

“ FOR FOUR YEARS, WE’VE BEEN CONTINUOUSLY
OUTPERFORMING OUR COMMITMENTS RELATIVE TO THE FORECASTS
IN THE BUSINESS PLAN: AS SUCH, WE’RE IN 7TH PLACE OF STOCK
MARKET CAPITALIZATIONS AND ONE OF THE MOST IMPORTANT FISCAL
CONTRIBUTORS TO THE KINGDOM. TAQA MOROCCO CONTRIBUTES TO
THE NATIONAL AND REGIONAL ECONOMY BY ACCOUNTING FOR 50%
OF THE NATIONAL PRODUCTION OF ENERGY, BY CREATING JOBS AND
BY IMPROVING THE LIVING STANDARDS OF ITS NEIGHBOURS ON A
LOCAL LEVEL. ”

LEFT-HAND PAGE

TAQA Morocco Management Committee

Left to right, front row

Mehdi Belghiti
Abdelkader Hilmi
Abdelmajid Iraqui Houssaini
Omar Alaoui M'hamdi

Support Division Director
Technical and Project Management Director
Chairman of the Executive Board
Executive Vice President in charge of the Finance
and Development Division

De gauche à droite, arrière plan

Said El Mamouni
Karim Benjelloun
Khalid Benghanem
Etienne Vollebregt

Legal Director
Strategy and Planning Director
Human Resources Director
Power Station Director



Abdelkader Hilmi

Technical and Project Management Director
Member of the Executive Board

“ THE OPERATIONAL EFFICIENCY OF TAQA MOROCCO IS BASED ON AN INTEGRATED MANAGEMENT AND QUALITY SYSTEM. ITS EFFICIENCY IS ILLUSTRATED BY THE STRONG PERFORMANCES OF ITS UNITS, WITH AN AVAILABILITY RATE OF 92.5%. ”

Khalid Benghanem
Human Resources Director
Member of the Executive Board



“ OUR HR POLICY RESTS ON SIGNIFICANT PILLARS, NOTABLY A COHERENT PERFORMANCE MANAGEMENT SYSTEM, A FAIR AND EQUITABLE COMPENSATION POLICY, AND A TALENT MANAGEMENT SYSTEM THAT WILL ENSURE CONTINUITY WHILE ENCOURAGING THE DEVELOPMENT OF THE EMPLOYEES. AND ALL IN AN ENVIRONMENT OF CONTINUOUS DIALOGUE, FOR A CALM SOCIAL CLIMATE. ”

PERPETUATING A GROWTH MOMENTUM





OVERVIEW, PERFORMANCES & TRANSFORMATION

In 2016, TAQA Morocco posted operational and financial results that exceeded the forecasts of the business plan. These performances reflect the reliability of the business model that relies on the extensive technical expertise of its teams and an industrial tool that is the subject of a rigorous maintenance policy.

TRANSFORMATION OF THE TAQA MOROCCO GROUP

1996

- The consortium ABB Energy Ventures and CMS Generation won the international invitation to tender held by ONE for the operation of Units 1&2 as well as for the design, construction, funding and operation of Jorf Lasfar Units 3&4.

1997

- September: creation of the Jorf Lasfar Energy Company under the form of a Partnership Limited by Shares.
- Transfer of Units 1&2 of the Jorf Lasfar Thermal power plant.
- Start of construction of Units 3&4.
- Funding of 1.2 billion USD arranged through an international banking consortium

2000

- 9 June: commercial commissioning of Unit 3.

2001

- 2 February: commercial commissioning of Unit 4

2007

- May: acquisition of JLEC by Abu Dhabi Energy Company (TAQA) that indirectly becomes the company's sole shareholder.
- Certification of the Workplace Health and Safety Management System according to the OHSAS 18001 standard

2009

- January: transformation into a Public Limited Company (SA) with Executive Board and Supervisory Board.
- January: refinancing of the international debt through a Moroccan banking consortium.
- 20 May: signing of the agreement protocol for the development of Units 5&6.

2010

- 22 December: creation of the subsidiary Jorf Lasfar Energy Company 5&6 (JLEC 5&6), the purpose of which is the construction and operation of the two Units 5&6 (extension of the first 4 units), each with a capacity of 350 MW.
- 24 December: signing of the EPC contract between JLEC 5&6 and the Mitsui & Co and Daewoo consortium.

2016 OVERVIEW

2,056 MW

Overall capacity
of the 6 Units

92.5%

Overall availability rate

93.1%

Availability rate
of Units 1-4

91.3%

Availability rate
of units 5&6

978 MDH

(+11.4%)

Consolidated Group
Share of Net Income

37 DH/ACTION

(+23%)

Dividends per share

PERFORMANCES
AND MAJOR
ACCOMPLISHMENTS

- Good performance of Units 1 to 6 with an overall availability rate of **92.5%**,
- An increasing Group Share of Net Earnings,
- An availability rate of **Units 1-4** of **93.1%** while taking into account the major overhaul of Unit 1 and the scheduled outage for inspection of Unit 3 in accordance with the maintenance plan,
- An availability rate of **91.3%** of **Units 5 and 6** while taking into account the minor overhaul of Unit 5 in accordance with the maintenance plan,
- A proposal for a dividend distribution of **37 DH** per share, an increase of **23%** relative to 2015, representing a dividend yield of **4.7%***.

*Based on the closing price on 17 April 2017

2011

- 30 March: signing of the electrical energy supply contract relative to Units 5&6.
- 31 October: signing of the EPC contract relative to the unloading equipment for coal-carrying ships.
- 3 November: signing of the EPC contract relative to the handling and storage of coal.

2012

- 20 June: signing of the funding documents for the JLEC 5&6 extension project in an amount equivalent to 1.4 billion USD over 16 years in multi-currencies.
- 11 December: signing of the concession for the coal terminal at the Port of Jorf Lasfar with the ANP for the concession rights for quays 3 and 3 bis to JLEC and JLEC 5&6 for a period of 30 years.

2013

- 18 January: signing of the final agreements for the disbursement of the equivalent of 1.4 billion American dollars intended for the extension of the Thermal power plant's Units 5&6.
- 14 February: TAQA wins the "African Power Deal of the Year 2012" prize for the funding of the project to extend the Jorf Lasfar JLEC 5&6 Thermal power plant during the 14th edition of the prize ceremony of the Project Finance magazine in London.
- 21 March: TAQA wins the "Best Partnership Award 2012" prize during the World Investment Conference North Africa in Marrakesh.
- 25 October: synchronization of Unit 5 with the national electric grid.
- 2 December: IPO approval obtained from the CDVM (Marketable Securities Ethics Council).
- 24 December: 1st listing on the Casablanca Bourse.

2014

- 5 February: synchronization of Unit 6 with the national electric grid.
- 15 April: commercial commissioning of Unit 5.
- 7 June: commercial commissioning of Unit 6.
- 13 October: Jorf Lasfar Energy Company carried out the change of its corporate name to TAQA Morocco, as well as the extension of its corporate purpose as confirmed by the Combined General Meeting, in order to align with the company's strategic orientations as well as its development projects.
- 4 November: obtaining of the certifications Quality ISO 9001, Health & Safety OHSAS 18001, Environment ISO 14001 from Lloyd's Register Quality assurance for all of the TAQA Morocco activities.

2015

- 10 February: obtaining of the Corporate Social Responsibility Label from the CGEM.
- December: commissioning of the coal unloaders.

2016

- December: finalising of the extension project for the coal terminal with an unloading capacity of 9 billion tonnes.

OPERATIONAL PERFORMANCES

IMPROVING OPERATIONAL AND FINANCIAL PERFORMANCES

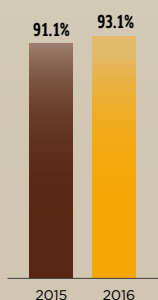
Building on its solid historical performance, an objective of perpetuating its activity and its leading position, TAQA Morocco has undergone a major transformation since its IPO: improvement of the processes and installations, preventive maintenance, organisation, cost control programme, training and expertise of the human capital are but some of the commitments that are

strongly contributing to the sustained operational and financial performance.

Relying on a secure business plan and on improving the value chain of its activity, TAQA Morocco is working to provide its shareholders with the best rate of return.

OPERATIONAL PERFORMANCES

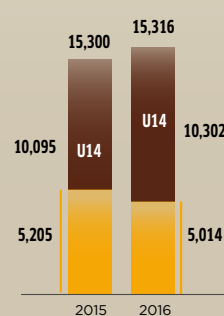
Availability of Units 1 to 4



Availability of Units 5 & 6



Net production in GWh



Etienne Vollebregt
Power Plant Director

“ THE AVAILABILITY RATE IS AFFECTED BY TWO ELEMENTS: THE SCHEDULED MAINTENANCE AND FORCED OUTAGES. THIS RATE VARIES FROM ONE YEAR TO THE NEXT. IN THIS REGARD, 2016 SAW THE COMPLETION OF THE PREVENTIVE MAINTENANCE PLAN WITH A MAJOR OVERHAUL OF UNIT 1, A SCHEDULED ONE FOR INSPECTION OF UNIT 3, AND A MINOR OVERHAUL OF UNIT 5. TAQA MOROCCO MANAGED TO POST A GOOD PERFORMANCE OF ITS AVAILABILITY RATE. THESE RESULTS CONFIRM THE RELIABILITY OF OUR MAINTENANCE POLICY, AND THE CONSIDERABLE TECHNICAL EXPERTISE OF OUR TEAMS.

”

FINANCIAL PERFORMANCES

CONSOLIDATED FINANCIAL STATEMENTS

In Mdh	2016	2016 e*	Change 16/16 e in %	2015	Change 16/15 in %
Turnover	8,049	8,799	-8.5%	8,888	-9.4%
EBITDA	3,508	3,320	5.7%	3,605	-2.7%
Operating result	2,576	2,471	4.3%	2,666	-3.4%
Financial result	-709	-755	6.1%	-748	5.2%
Net income	1,298	1,180	10.1%	1,291	0.5%
Of which Group share of net income	978	878	11.4%	966	1.3%
Of which minority interests	319	301	6.1%	325	-1.9%
Net debt / EBITDA	3.1x	3.5x	-9.3%	3.3x	-5.4%

*Relative to the forecasts in the Business Plan

The **Group Share of Net Income** is up by **11.4%** relative to the forecasts in the business plan, and by **1.3%** relative to FY 2015. This progression can primarily be explained by:

- The good operational performance of all of the Units, while adhering to the Maintenance Plan,
- The continuation of the rigorous cost control policy that served to increase the **consolidated operational margin rate**, which now stands at **32%** compared with the Business Plan forecasts of **28%** and **30%** in 2015,

- The improvement of the financial result primarily results from the good control of interest expenses and the optimisation of the investments of cash surpluses.

2016 was marked by a 14% decline of the purchase price for coal on the international market. This decline had a repercussion on the revenue and on the consumed purchases of coal, but with no significant impact on the Consolidated Net Income.

Hicham Chad
Finance Manager JLEC 5&6



“ FUEL PRICE FLUCTUATIONS ARE MORE VISIBLE WITH REGARD TO OUR REVENUE THAN OUR NET INCOME, NOTABLY BECAUSE OUR COAL PROCUREMENT SYSTEM IS BASED ON AN ENERGY FORMULA THAT PROVIDES FOR A VIRTUALLY IDENTICAL RE-BILLING OF THE VARIATIONS OF COAL PRICES ON THE INTERNATIONAL MARKET. THE RESILIENCE OF A GROUP SUCH AS TAQA MOROCCO IS NOT REFLECTED ONLY IN INCREASING REVENUE, BUT ALSO IN THE IMPROVEMENT OF ITS NET INCOME THAT HAS INCREASED SINCE 2016. ”

FINANCIAL PERFORMANCES

CORPORATE FINANCIAL STATEMENTS

In Mdh	2016	2016 e*	Change 16/16 e in %	2015	Change 16/15 in %
Turnover	4,506	4,812	-6.4%	4,887	-7.8%
EBITDA	1,310	1,168	12.2%	1,316	-0.5%
Operating result	763	667	14.5%	772	-1.1%
Financial result	352	283	24.2%	252	39.5%
Net income	939	817	14.9%	842	11.4%

*Relative to the forecasts in the Business Plan

The **Net Income** is up by **14.9%** relative to the Business Plan forecasts, and by **11.4%** relative to the 2015 financial year. This progression can primarily be explained by:

- The improved availability of Units 1 to 4, that increased from **91.1%** in 2015 to **93.1%** in 2016,
- The increase of the **operating margin rate** in 2016 that stands at **16.9%**, compared with **13.9%** according to the Business plan forecasts and 15.8% in 2015, primarily due to the continuous efforts to improve the operational productivity,
- The improvement of the financial result, primarily due to

the higher dividends distributed by the subsidiary JLEC 5&6 in addition to the optimised interest expense on loans.

TAX AUDIT

TAQA Morocco underwent a tax audit in 2016. A provision for contingencies was set up to deal with the possible additional taxes that could result from this tax audit.

TAQA Morocco estimates that the possible adjustments will have no significant impact on the Company's earnings, net situation and liquidity.

CONSOLIDATED FINANCIAL STATEMENTS BALANCE SHEET INDICATORS IN MMDH

NON-CURRENT ASSETS	15,806	SHAREHOLDERS' EQUITY & SIMILAR	7,284
WORKING CAPITAL REQUIREMENTS (WCR)	1,134	NET DEBT (*)	9,656

Solid and even balance sheet structure and working capital requirements (WCR) under control.

CASH FLOW INDICATORS - CONSOLIDATED FINANCIAL STATEMENTS IN MMDH

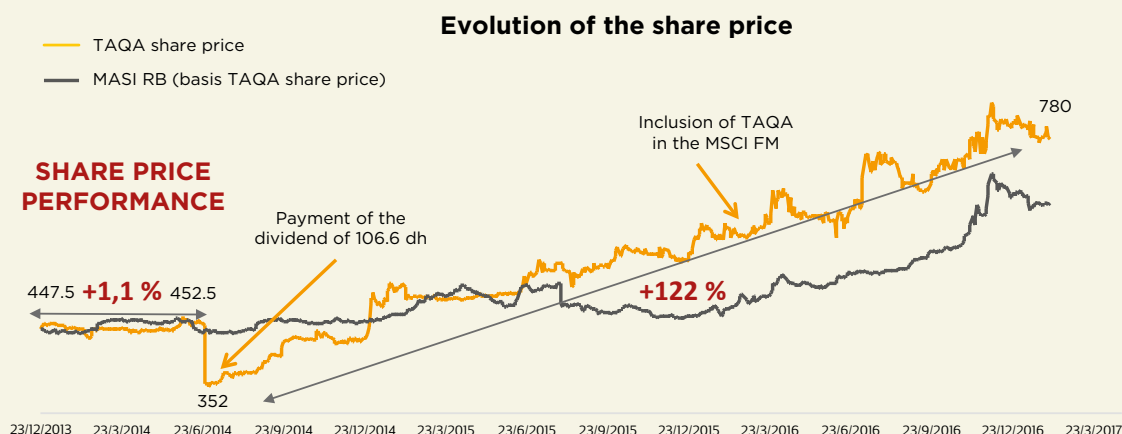
OPERATIONAL CASH FLOW	2,323
INVESTMENT CASH FLOW	-383
FUNDING CASH FLOW (**)	-1,144

Ability to generate a surplus cash level in order to support the activity and allow for potential growth.

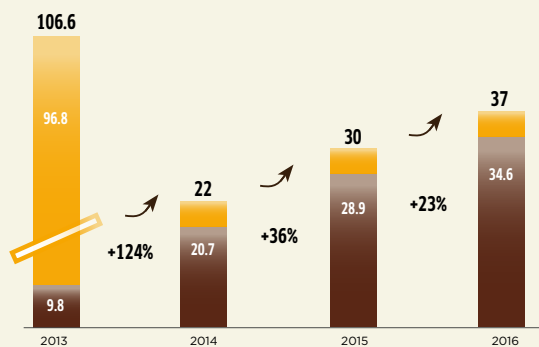
(*) Gearing: 57%

(**) Excluding dividends paid by the TAQA Morocco Group

MARKET PERFORMANCE



ANTICIPATED EVOLUTION OF THE DIVIDENDS PER SHARE



DIVIDENDS

The Executive Board has decided to seek the approval of the Ordinary General Meeting for a dividend distribution of **37 dirhams per share**.

This dividend will be paid at the latest on 25 July 2017.

PROSPECTS

With its strong operational expertise, TAQA Morocco will continue its efforts to attain the 2017 results anticipated in the Business Plan.

The TAQA Morocco Group is reasserting its development ambition by studying various opportunities in Morocco and Africa.



IMPROVING OPERATIONAL EFFICIENCY

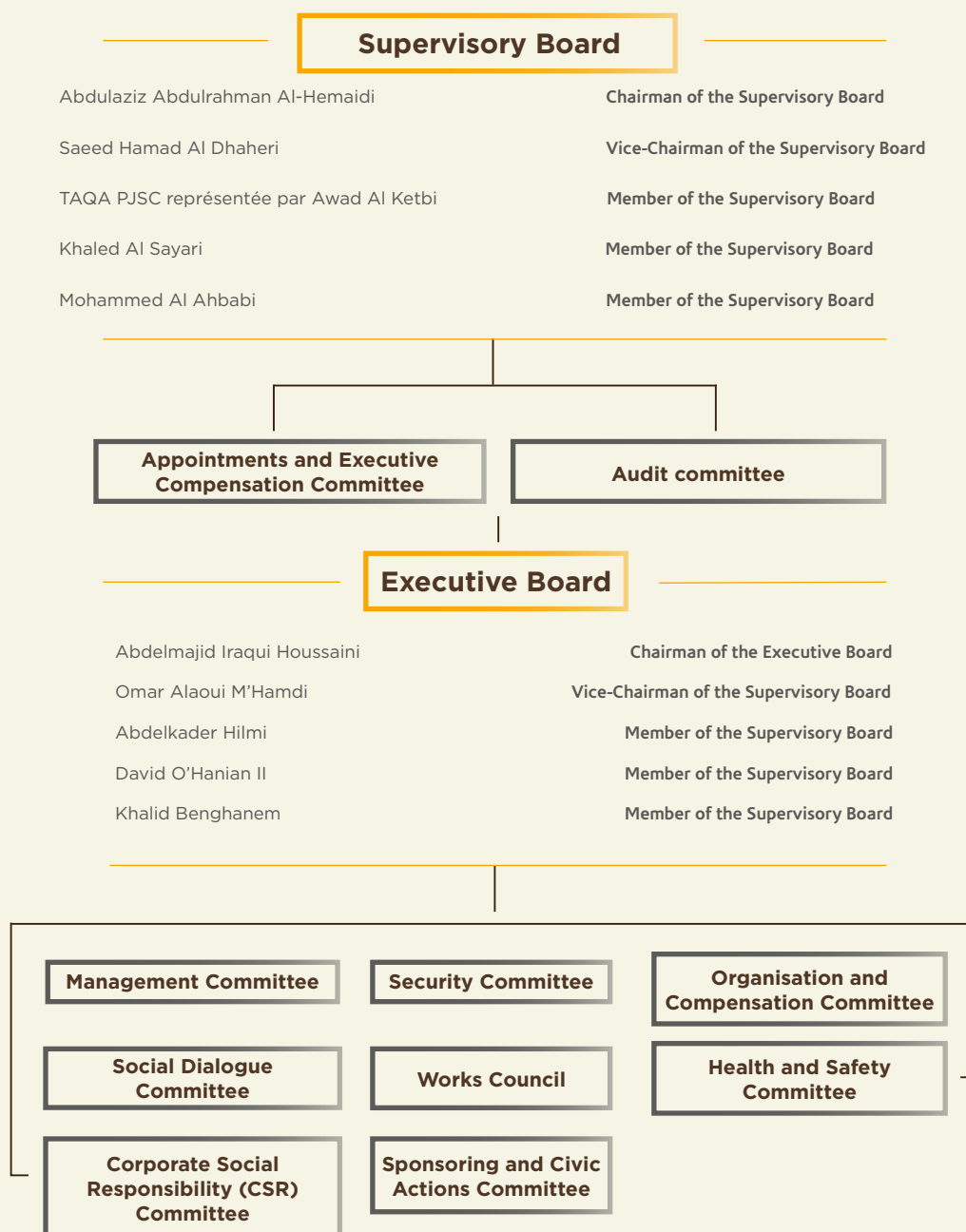


GOVERNANCE

TAQA Morocco has committed to a continuous improvement process intended to satisfy all stakeholders, in order to better attain its performance objectives suitable organisation, development and training of the human capital, environmental control, improvement of the processes, improvement of the value chain. Its momentum is contributing strongly to improving the regional industrial sector and to the Kingdom's economic and social development.

GOVERNANCE SUITED TO THE ACTIVITY

TAQA Morocco is a Public Limited Company (SA) with executive board and supervisory board.



COMMITTEES

GOVERNANCE COMMITTEES REPORTING TO THE SUPERVISORY BOARD

Audit committee

The Audit Committee monitors, under the responsibility of the Board, any matters relating to the preparation and verification of the accounting and financial information. As such, and without prejudice to the powers and responsibilities of the bodies in charge of the administration, direction or management of TAQA Morocco, the Audit Committee notably reports to the Company's Supervisory Board, on:

- the monitoring of the preparation of the information intended for shareholders, the public and the Moroccan Capital Markets Authority;
- the monitoring of the efficiency of the internal control, internal audit and, when needed, risk management systems linked to TAQA Morocco;
- the monitoring of the legal control of the consolidated corporate financial statements and consolidated financial statements of TAQA Morocco;
- the examination and monitoring of the independence of the statutory auditors;
- while alerting all departments of any risk relating to non-compliance with the TAQA Morocco Ethics Code.

Appointments and Executive Compensation Committee

The task of the Appointments and Executive Compensation Committee is to assist the Supervisory Board members with regard to appointments and executive compensation.

GOVERNANCE COMMITTEES REPORTING TO THE EXECUTIVE BOARD

Management Committee

The Management Committee looks after all matters relating to the strategy, development and organisation of the TAQA Morocco Group. To this end, it makes all necessary decisions regarding the fulfilment of the operational and financial objectives of TAQA Morocco.

Organisation and Compensation Committee

The task of the Organisation and Compensation Committee is to help the Executive Board to carry out its responsibilities regarding human resources, notably with regard to compensation, organisation plans, succession planning, employee training and all other matters possibly submitted to it by the Executive Board.

Social Dialogue Committee

The Social Dialogue Committee is in charge of managing the demands of the trade union office, the management of conflict situations, the preparation of agreements, the review of the social consultation charter and the set-up of working sub-committees. It facilitates the meeting of the social partners in a spirit of negotiation, dialogue and consensus, in order to determine and improve the working and employment conditions, to organise the relations between firstly the employer, and secondly the employees and trade union organisation.

Security Committee

The Security Committee is in charge of coordinating security measures within TAQA Morocco, and for the monitoring, implementation and verification of the security procedures; the study and management of missions and projects proposed by the Security Department; verifying the resources implemented in order to ensure security within TAQA Morocco.

Health and Safety Committee

The missions of the Health and Safety Committee are to identify professional risks related to the activity and to ensure the application of the legal and regulatory provisions relating to safety, hygiene and health protection in the workplace. Its role is to monitor and oversee the safety equipment and systems, and to participate in the development of a spirit of risk prevention and respect for safety within the company.

Works Council

The Works Council is consulted in order to provide opinions or to give its approval in the following domains: structural and technological transformations that may be carried out within the company; the TAQA Morocco production strategy and the means for improving its profitability; preparation of social projects for the benefit of the personnel and the monitoring of their implementation; the social balance sheet; the apprenticeship programmes; the integration training and the continuing training.

COMMITTEES

Corporate Social Responsibility (CSR) Committee

The main task of the Corporate Social Responsibility Committee is to define, formalize and monitor the company's CSR initiative. It collects and validates the proposals for the adaptations of the CSR initiative within each relevant Department; it provides the oversight of all actions, while monitoring the scoreboard and ensuring the fulfilment of the action plan. It regularly assesses the CSR initiative and its contribution to the company's performances. It communicates the results to the company's Supervisory Board and its Executive Board.

Sponsoring and Civic Actions Committee

The Sponsoring and Civic Actions Committee applies and adapts the General Management's policy on sponsoring and civic actions. It examines and validates any requests, and submits them for the final approval of the General Management. It ensures the correct fulfilment of the actions, as well as their compliance with the contractual provisions. It regularly monitors and assesses the implemented actions while measuring their impacts on the defined axes.



ETHICS

Shahla MOKHTARI

ETHICS AND INTEGRITY

TAQA Morocco is governed by a Code of Ethics that aims to establish ethical rules that will ensure respect for the principles of fairness, transparency and integrity, while aligning with the values of TAQA Morocco and, more generally, those of the TAQA Group.

The Code of Ethics sets out, in addition to the specific rules governing the actual activity of the TAQA Morocco and the conduct of business rules included in the TAQA Group's "Code of Business Ethics", the rules that govern the use and communication of inside information by the Company and any conflict of interest situations.

As such, this Code sets out the guidelines and rules within TAQA Morocco in order to ensure that all employees have a common vision of the ethical standards and perform their trades in compliance with these standards.



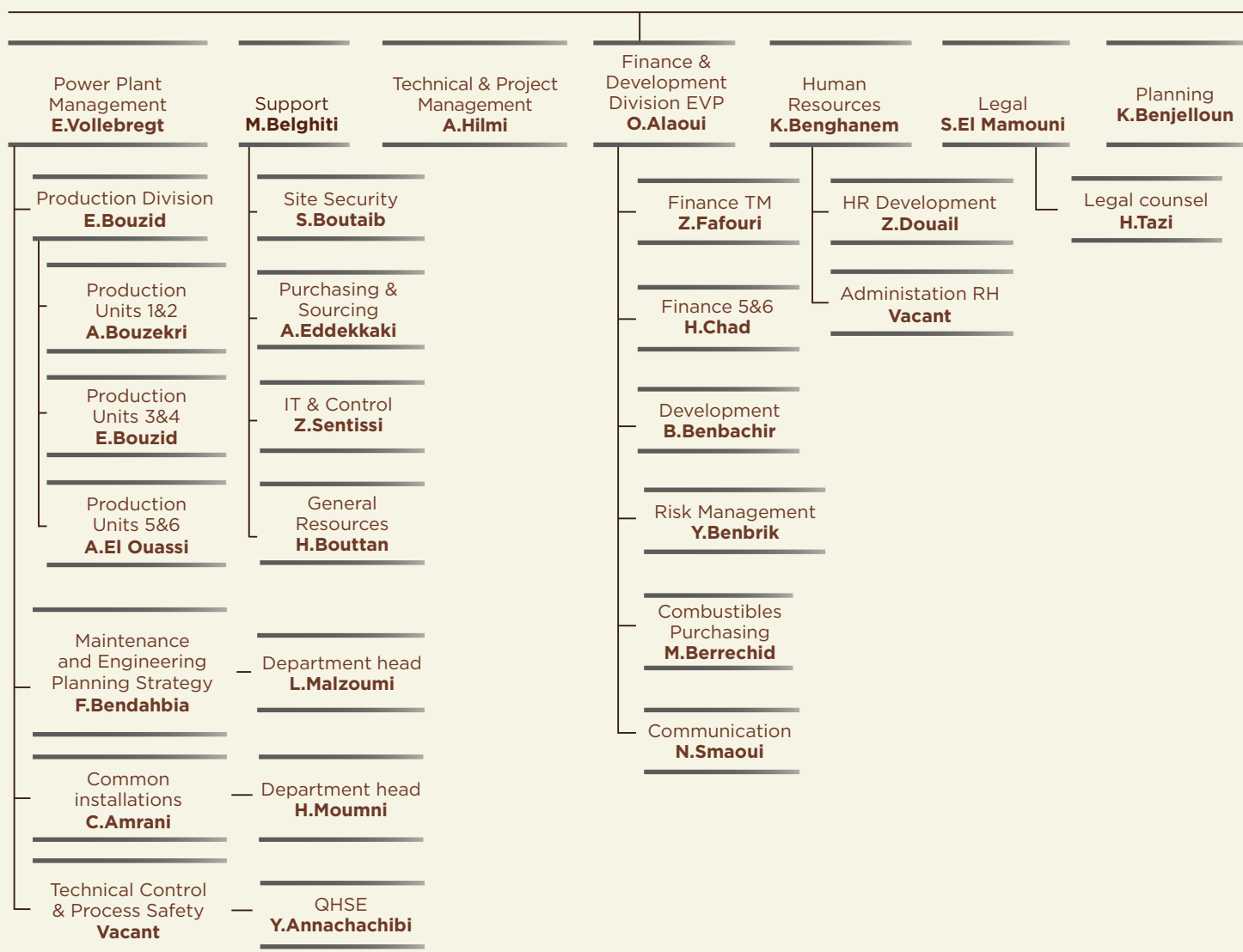
HUMAN CAPITAL

HUMAN CAPITAL AT THE HEART OF THE EXCELLENCE AND PERFORMANCE

As a major actor in the strategic energy sector and the leading Independent Power Producer in Morocco, encouraging the development of its human resources is a key priority of the TAQA Morocco Group. The requirements for expertise and commitment of the human capital, in order to ensure the required level of performance and availability of the production tool, guide the appropriate organisation and committed human resources policy of TAQA Morocco.

AN ORGANISATION THAT MEETS THE PERFORMANCE DEMANDS

Chairman of the Executive Board
A.IRAQUI HOUSSAINI



COMMITMENT AND EXPERTISE

TAQA Morocco owes its performance to the talent and know-how of its human resources. Committed women and men who, through their skills and a shared sense of culture and strong company values, are advancing towards the same objective. Results that also confirm the reliability of the industrial tool.

Openness and dialogue, performance management, career management, continuing training, preparing the next generation... are all part of a strategy that will help the Group to perpetuate its expertise and know-how.

Openness and dialogue

The human resources policy regarding social relations involves implementing operating and management rules for the professional relations in order to establish an internal momentum that fosters openness, transparency, dialogue and mutual development.

To this end, the implemented social consultation charter determines the observance of a few major principles:

- The mutual respect needed for the calm management of professional relations, the continuation of a healthy social climate and the development of a culture of dialogue and consultation,
- The respect for the freedoms and rights relative to employee representation within the company,
- The strict application of the company's internal rules and procedures, notably regarding employment, discipline, health, safety, organisation of the work within the Production Units.

Values and Social policy

The company culture is based on shared values that serve as a moral, intellectual and professional reference for everyone working within the Group. They are now visible throughout the organisation and the operation. They constitute essential strengths for jointly coming to terms with the changing realities in the environment and for meeting the coming challenges.

The human resources policy relies on listening to each person, with respect, dialogue and transparency. These values are accompanied by a true social dialogue policy that is based on safety, health and hygiene in order to ensure the protection and welfare of the company's own employees, as well as those of subcontractors and customers. This social policy is coordinated by ground-level management of the human capital that strengthens professional links, meets the expectations of employees, and consolidates the commitment and mobilisation of the teams.



HUMAN CAPITAL

Performance and career management

Translating the values into day-to-day managerial practices and the company's sustained actions in favour of its environment, the human resources policy provides a basis for respecting basic rights and the corporate responsibility of TAQA Morocco.

It revolves around three major guidelines that place the human resources at the centre of management interests:

- Attracting, developing and retaining high-potential human resources;
- Implementing talent management so as to encourage the internal promotion needed for preparing the next generation, with targeted training programmes;
- Fairly assessing the skills & performances. An overall improvement approach specific to the needs of TAQA Morocco is now in place, that considers the needs of the company's various business lines with regard to technical and managerial skills.

TAQA Morocco has initiated a complete performance strategy that involves a "SMART" system for managing objectives in line with the overall objectives, with a common vision and shared ambitions. The objectives are clearly identified and adapted to each level of the

company. This initiative is accompanied by an objective assessment that aligns with the career management.

Training and succession

Continuing training is a fundamental priority in order to ensure cutting-edge expertise in the energy domain and to ensure that the next generation is prepared appropriately. This human resources policy is firstly based on identifying and monitoring talents on the basis of potential and performance. The set-up of the talents matrix makes it possible to implement the succession plan needed to maintain the know-how. This initiative is accompanied by an appropriate and continuous training programme based on a transfer of skills and proficiency with the business lines. The sponsorship system with more seasoned employees is a major part of the technology transfer and the control of the business lines specific to a Thermal power plant.



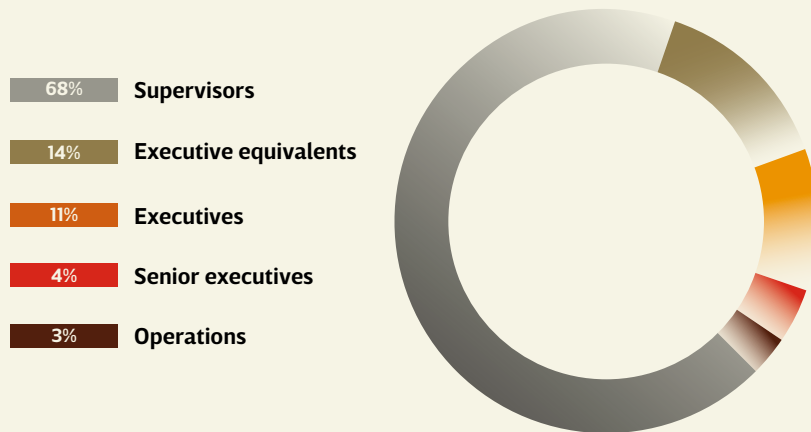
Nadia Tinakoua

Engineer within the Strategy, Planning and Maintenance Department

“ AS A NEW RECRUIT AND YOUNG GRADUATE IN ELECTRICAL ENGINEERING, I WAS FORTUNATE TO RECEIVE COMPLETE TRAINING THAT COMBINES THEORY AND PRACTICE. THE INITIATIVE AND THE QUALITY EDUCATIONAL TOOLS USED BY MY INSTRUCTORS PROVIDED ME WITH AN OVERALL AND COMPLETE VIEW OF THE PLANT'S TRADES. ”

Assessment and Compensation

The assessment of performances is an integral part of the human resources policy. Adapted to overall and individual objectives, it serves to assess the performances, the potential and each person's career path. Moreover, TAQA Morocco has initiated a compensation policy adapted to the performances and to skills development. Its aim is to attract, motivate and retain. The compensation system is based on meeting individual and collective performances, and on a regularly performed market benchmark.



Rania Firkatoune
Engineer within the Development Division

“ THANKS TO THE GENEROSITY AND PROFESSIONALISM OF THE TRAINERS AND EMPLOYEES, I’VE DISCOVERED ALL OF THE RICHNESS OF THE TAQA MOROCCO COMPANY CULTURE. I’VE HAD THE GOLDEN OPPORTUNITY TO TAKE PART IN THE COMPANY’S FIRST PROJECT IN THE FIELD OF GREEN ENERGY. AS SUCH, I’VE BEEN ABLE TO BROADEN MY SKILLS IN THE DOMAIN OF WIND ENERGY, BOTH IN TERMS OF THE TECHNICAL ASPECT, AS WELL AS PROJECT MANAGEMENT. ”

HHSE POLICY

AN ACTIVE AND EFFICIENT HHSE POLICY

There is no greater priority than the health and safety of the employees, but also that of service provider companies and the general public. TAQA Morocco therefore strives to ensure that its Hygiene, Health, Safety and Environment policy is at all times appropriate with regard to the impacts and risks, for the protection of all stakeholders.

Moreover, the Group continually verifies its environmental impact. Striving to be a responsible company, it has firmly committed to environmental protection as a lasting priority.

Proactive Hygiene, Health, Safety & Environment system

With a strong and proactive prevention, awareness-raising and training initiative, TAQA Morocco strives to encourage the involvement of all personnel in the implementation of the QHSE standards, and best practices with regard to Quality, Hygiene, Safety and Environment.

Targeted training programmes for the employees and new teams are carried out on a regular basis, thereby strengthening the culture and skills of the personnel in this domain, thereby leading to a continuous improvement approach. Notably with regard to safety, all of the company's employees are also encouraged to identify, point out and analyse the causes of any incidents or accidents occurring within the Power Plant.

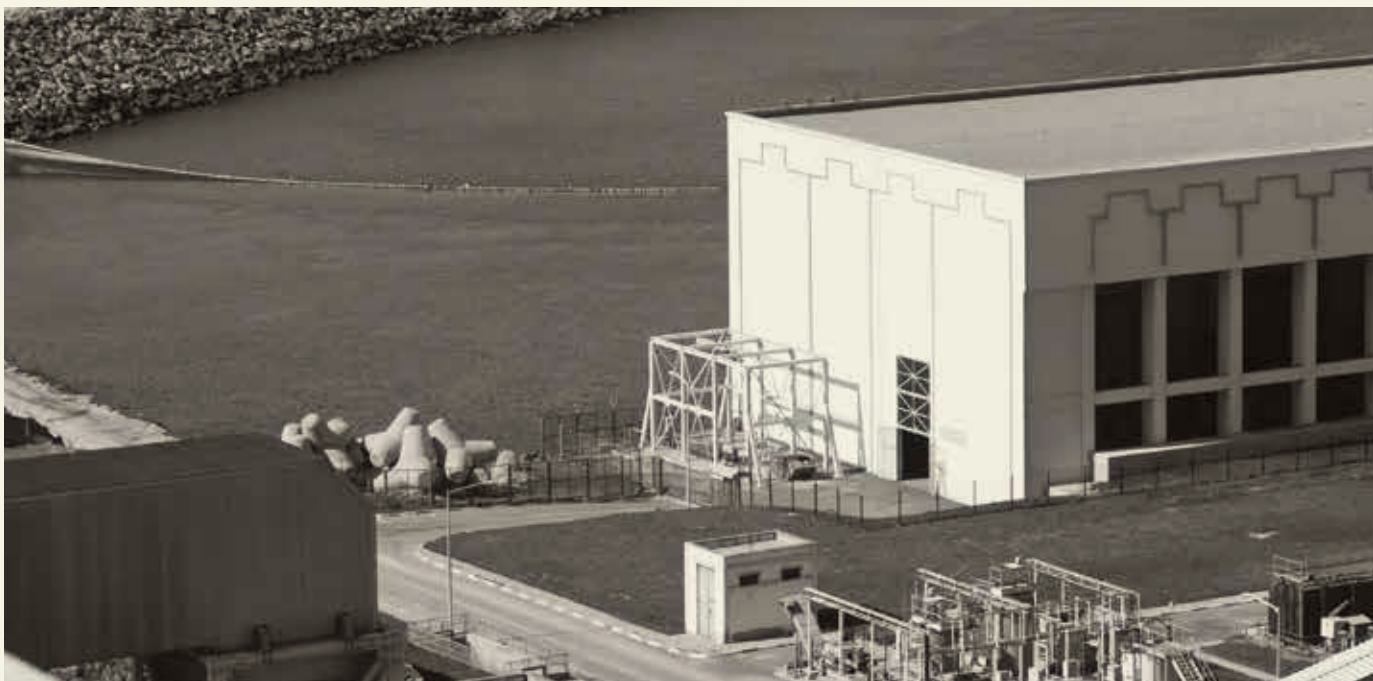
The commitment and involvement of all personnel members, on all levels, are recognised as key elements for the success of this Occupational Health and Safety Policy, with recognition of the safety performances of the employees and subcontractors. TAQA Morocco has also set up an entire health programme according to international standards, in addition to periodic and regulatory inspections in order to improve the health services and respond to emergency situations.

Environmental protection

TAQA Morocco has adopted intentional limit values in terms of gas and liquid discharges. The limit values are a summary of the various standards recommended by donors (Moroccan regulations and World Bank standards).

The emissions from the chimneys at the Thermal power plant remain below the limit values thanks to the quality of the coal used by TAQA Morocco and the use of burners that generate low quantities of nitrogen oxide, along with SO₃ injections to reduce dust. The usage of electric filters serves to retain more than 99% of dust particles.

A desulphurisation system has been installed for the smoke treatment, along with rigorous and continuous monitoring of the flue emissions from Units 5&6.



Air quality

In a constant effort to ensure a healthy environment for its employees and neighbours, TAQA Morocco uses an air quality control station that closely monitors the concentrations of the various components (sulphur dioxide, nitrogen oxide and particulates), and meteorological parameters. Each year, an international control Bureau performs air quality inspections at various geographical points of the Power Plant.

TAQA Morocco has also installed a mobile monitoring station for the air quality in a professional setting, in order to continuously monitor this aspect.

Water quality

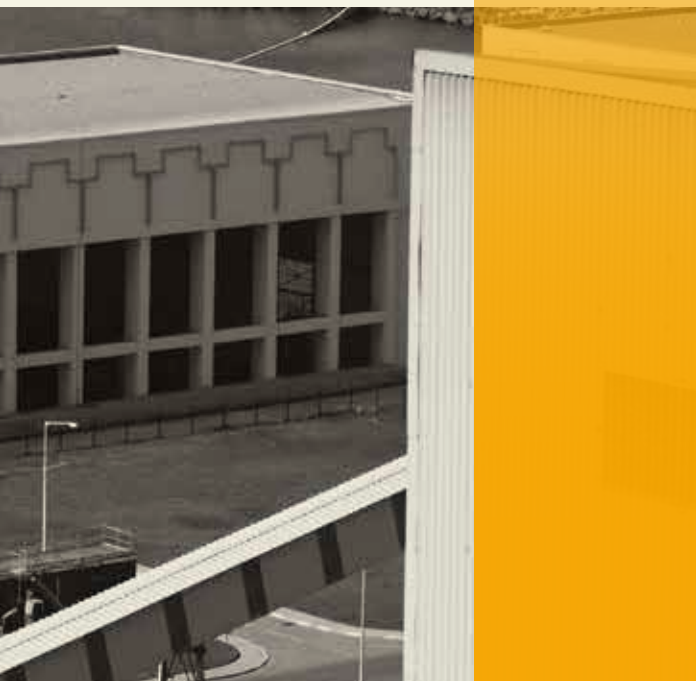
TAQA Morocco has several water treatment stations, it periodically monitors the discharges, as well as the quality of the underground water and of any nearby marine water.

Compliance check

Periodically, and alongside the audits by Lloyd's Register in connection with the Integrated Management System QSE, external audits of the donors as well as of audits of the TAQA Group are performed in order to verify compliance with the established environmental requirements. Should the limit values be exceeded, TAQA Morocco prepares a system and procedures in order to correct any discrepancies

Waste treatment and recycling

TAQA Morocco has recycled nearly 80% of fly ash through the local cement industry. The company has also extended its ash storage centre in accordance with international standards. For other types of waste (domestic and industrial), selective sorting is performed on the site before the waste is sent to recycling, reclamation or specialised treatment companies.

**QSE Integrated Management System**

As part of continuously improving its management processes, TAQA Morocco is certified for its QSE Integrated Management System (Quality ISO 9001, Health and Safety OHSAS 18001 and Environment ISO 14001) for all of its activities. In this way, TAQA Morocco is confirming its commitment and that of its teams to producing energy while respecting quality and the environment, in the service of the national energy sector. As a reminder, TAQA Morocco has been ISO 9001 certified for electricity production since 2003 and for its purchasing and handling of coal since 2008, and globally ISO 14001 certified since 2004 and OHSAS 18001 since 2007.

VALUE CHAIN

CONTINUOUS IMPROVEMENT OF THE VALUE CHAIN

A cornerstone of the economic and social development of Morocco, TAQA Morocco is performing well and providing profitable and lasting growth over time. To meet the needs of the national electricity demand within an optimal timeframe, the Group is working to continuously improve its infrastructures and processes on all levels.

In view of the scale change in the production capacity with Units 5&6, the Jorf Lasfar thermal power plant has made many improvements to its infrastructures, from coal unloading to the production process.

Strategy

TAQA Morocco is working to be a dynamic and efficient operator as part of the energy mix on the national and regional levels by producing electricity at the best cost, while ensuring security and respecting the environment.

Four major strategic axes:

- Being the leading Independent Power Producer in Morocco;

- Stronger sharing of a common culture and a strong social policy, while developing the skills of the employees;
- Maintaining the status as a responsible company operating along ethical lines and working in favour of sustainable development;
- Development and acquisition of other projects in the energy production domain in Morocco and the region, based on opportunities that arise as well as a cautious investment policy.

High-performance industrial infrastructures

The Thermal power plant uses high-performance installations with an availability rate of over 90%, thereby placing it amongst the world's best performing plants.

- Overall capacity of the 6 Units: 2,056 MW.
- 5.4 million tonnes of coal imported per year.
- A coal yard with a capacity of 1,000,000 tonnes.
- Two fuel oil reservoirs each with a capacity of 50,000 m³.
- A demineralized water supply station.
- A cooling water supply station.
- An ash storage quarry.



El Mostapha Bouzid
Production Division Director

“

WE OWE THE RELIABILITY AND IMPROVED PERFORMANCE OF THE PRODUCTION TOOLS TO THE COMMITMENT, SUPERVISION AND GENERAL MOBILIZATION OF THE HUMAN CAPITAL, ALONG WITH OPERATIONAL PROCEDURES AND THE RIGOROUS FULFILMENT OF THE PREVENTIVE MAINTENANCE PLAN. AS SUCH, IN 2016, THE TAQA MOROCCO UNITS AT JORF LASFAR ATTAINED AN AVAILABILITY RATE OF 93.13% FOR UNITS 1 TO 4, AND 92.53% FOR UNITS 5 TO 6.

”

A port suited to the activity

The Thermal power plant is in a strategic geographical location given its proximity with the port of Jorf Lasfar.

The coal terminal used by the plant is an important link in the electrical energy production sector in Morocco: approximately 85% of the coal imports destined for thermal power plants come through this terminal.

The coal yard at the Jorf Lasfar thermal power plant has a storage capacity of 1 million gross tonnes, and coal procurements are currently close to 5.4 million tonnes/year.

The Thermal power plant has a 30-year concession on wharfs 3 and 3b.

Also, to deal with the growing needs for coal, the extension of the coal terminal has been initiated by TAQA Morocco in collaboration with the ONEE and the ANP, calling for:

- The construction of a new wharf (3b) of 300 ml and 16 m of draught that will eventually accommodate ships of up to 120,000 tonnes and ensure traffic of more than 7 million tonnes per year, thereby allowing the Plant to increase its production capacity.
- The supply and installation of two ship unloaders each of 2,400 t/h.
- The supply and installation of a new conveyor line of 2,400 t/h.
- The supply and installation of a new stacker of 4,800 t/h.
- The rehabilitation and extension of the existing wharf 3 to 300 ml and 16 m of draught.
- The extension in the background of the conveyor lines (existing and new) respectively of 60 m and 300 m.

The coal terminal is ISO 9001-2008 certified par Lloyd's Register Quality Assurance Limited.



Mohamed Berrechid
Fuel Procurement Manager

“ WE SCRUPULOUSLY MONITOR THE QUALITY OF THE COAL BY RIGOROUS SUPPLIER SELECTION, BY QUALITY CONTROL AT LOAD PORT AND DISCHARGE PORT AND THE USE OF CERTIFIED LABORATORIES TO CONDUCT THE QUALITY ANALYSIS. ”

Chakir Amrani
Common Installations Director



“ THE COAL YARD AND COAL TERMINAL HAVE SEEN MANY IMPROVEMENTS. THANKS TO A NEW ORGANISATION AND THE INTEGRATION OF RECENT EQUIPMENT, WE'VE IMPROVED OUR UNLOADING PERFORMANCES. AS SUCH, OUR RECORD UNLOADING RATE FOR COAL PER TONNE IS ONE OF THE HIGHEST THAT WE'VE EVER SEEN. ”

Scheduled preventive maintenance

The preventive maintenance programme is carefully scheduled to provide an optimal yield. Indeed, the smooth operation of the Jorf Lasfar Thermal Power Plant relies on an extremely rigorous maintenance policy that improves reliability and allows the Power plant to produce an optimal yield.

Each major maintenance cycle is carried out by 750 additional contractors, working 24-by-7.

The TAQA Morocco maintenance policy includes a defined programme for scheduled outages of the Units, based on an eight year cycle, with three categories of maintenance outages: simple inspection overhaul: 7 days; minor overhaul: 21 days / 25 days; major overhaul: 42 days.

4 key ambitions of the preventive maintenance policy

- Ensuring Occupational Safety and the Environmental protection,
 - Maintaining and improving the operational availability of the production installations,
 - Ensuring quality throughout all phases of the production processes,
 - Controlling and optimising the maintenance costs.
- Re-engineering of processes

Re-engineering of processes

The set-up of the Oracle E-Business ERP within TAQA Morocco is part of an overall transformation programme for its information system, which is impacting all of the company's business lines. Its fulfilment has led to the integration of operational processes (Finance, Purchasing & Inventories, Human Resources and Maintenance), which increases the fluidity of the informational flows and facilitates the tracing of operations. Thanks to reduced information production timeframes, this system provides for a better steering of the operational performance. The continued existence of the information system is also being assured through the set-up of a secure technical platform that complies with the best current technological standards.

In parallel, a review of procedures has been carried out on the entire organisation in order to simplify and clarify the responsibility and decision-making levels.

Fatima Bendahbia

Strategy, Planning and Maintenance Director



“ OUR MAINTENANCE POLICY IS BASED ON PREVENTIVE MAINTENANCE. AS PART OF THE RISK MANAGEMENT AND OPTIMISATION OF THE PERFORMANCES, IT SERVES TO MAINTAIN CLOSE TIES BETWEEN SAFETY AND EFFICIENCY. ”

Zohyr Sentissi

Control and Information System Director



“ TAQA MOROCCO OPTED FOR THE ORACLE SOLUTION IN ORDER TO BETTER RESPOND TO THE COMPANY'S STRATEGIC CHALLENGES AND AS PART OF THE CONTINUOUS IMPROVEMENT OF ITS OPERATIONAL PROCESSES. THANKS TO REDUCED INFORMATION PRODUCTION TIMEFRAMES, THIS SYSTEM PROVIDES FOR A BETTER STEERING OF THE OPERATIONAL PERFORMANCE. ”



Mehdi Belghiti

Director of the Support Division

Member of the Executive Board of JLEC 5&6

“

GIVEN THE REVENUE PROFILE OF TAQA MOROCCO, WHICH IS MARKED BY GREAT PREDICTABILITY, THE GROUP HAS IMPLEMENTED COST MANAGEMENT AND OPTIMISATION POLICY AS PART OF CONTINUOUSLY IMPROVING ITS PERFORMANCE. THIS IS ON TOP OF THE NEW INFORMATION SYSTEM THAT ALLOWS FOR REAL-TIME MONITORING PER BUSINESS LINE. THE AIM OF THIS INITIATIVE IS TO RENEGOTIATE THE MAIN CONTRACTS WHILE LIMITING THEIR VARIABLE PART INsofar AS POSSIBLE (THEREBY OPTIMISING THE COMPANY'S MAIN COSTS OVER THE LONG TERM.”



**COMPANY ACTING
WITH RESPONSIBILITY
AND SOLIDARITY**



CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Over the years, TAQA Morocco has demonstrated a firm commitment in response to several challenges in essential domains such as health, education, the environment and culture. As such, the company has carried out a number of civic actions in favour of many charitable causes and NGOs. Accordingly, the company asserts its strong desire to support social development and to implement a policy of local civic actions.

In an effort to continually improve its initiative, the TAQA Morocco Corporate Social Responsibility (CSR) policy is also intended to strengthen links with all of its stakeholders, anticipate the regulations, promote its human capital, improve its environmental performances and serve as a model citizen and socially responsible company. The Group also undertakes to increase its efforts in renewable energies, notably wind turbines, as a contribution to sustainable progress.

A CSR POLICY IN THE SERVICE OF SUSTAINABLE PROGRESS

The implemented Corporate Social Responsibility policy is a logical extension of the deliberate and committed initiative of TAQA Morocco as part of its continuous improvement strategy.

Supported by strategic choices, the social responsibility initiative revolves around 5 distinct axes:

- Carrying out the activities of TAQA Morocco while seeking to anticipate and reduce environmental impacts;
- Promoting a fair, safe and participatory work environment;
- Being involved with communities and contributing to the creation of social value;
- Working within the framework of responsible and transparent governance;
- Committing to ethical conduct and extending the social, societal and environmental responsibility of TAQA Morocco to its business ecosystem.

A CHARTER FOR A RESPONSIBLE COMMITMENT

Carrying out the activities of TAQA Morocco while seeking to anticipate and reduce environmental impacts

- Continuously reducing the environmental impact of its operations;
- Optimising and safeguarding the use of natural resources while ensuring accurate consumption monitoring;
- Innovating, through research and development, so as to anticipate and mitigate any impacts on the environment;
- Optimising the energy efficiency on all sites and activities;
- Maximizing the potential for the end-of-life processing of waste through industrial ecology.



Promoting a fair, safe and participatory work environment

- Guaranteeing the health, safety and well-being of all of the TAQA Morocco human capital;
- Anticipating changes to the business lines, developing skills and promoting the emergence of talents of local people;
- Building on diversities, guaranteeing equal opportunity throughout the career paths of the employees and ensuring compliance with human rights;
- Promoting social dialogue, co-construction and commitment of the employees through confidence and mobilisation of the collective intelligence.

Being involved with communities and contributing to the creation of social value

- Standing out through actions in favour of inclusive territorial development that holds promises for all communities;
- Promoting joint commitment that will enable the employees to serve as relays for the commitments of TAQA Morocco;
- Nourishing the trusting mutual relationship with stakeholders.

Working within the framework of responsible and transparent governance

- Accompanying the TAQA Morocco commitments with appropriate, transparent and verifiable financial and extra-financial communications;
- Promoting compliance with regulatory requirements and best practices for management and oversight, while ensuring the interests of the minority shareholders.

Committing to ethical conduct and extending the social, societal and environmental responsibility of TAQA Morocco to its business ecosystem

- Encouraging transparency and fairness of the practices;
- Promoting the CSR principles to everyone through the TAQA Morocco value chain, and implementing encouragement and support mechanisms.



CIVIC ACTIONS

CIVIC ACTIONS, AN EXTENSION OF SOCIAL RESPONSIBILITY

A major actor in the Moroccan economy, investor and job creator, TAQA Morocco is socially committed on both the regional and national levels. Civic actions represent a true extension of the Corporate Responsibility and are intimately linked with the Group's culture and strategy.

It a genuine initiative that involves all stakeholders (local authorities, NGOs...) with a mobilisation of the personnel in the fulfilment of the actions. Through health, education, the environment and culture, TAQA Morocco is helping to improve the living conditions of citizens while actively participating in the social development of the Kingdom.





CIVIC ACTIONS

HEALTH

Providing cancer patients with new energy and hope

By supporting the Lalla Salma Foundation Against Cancer, TAQA Morocco is contributing to scientific research, to ensuring that 15,000 low income patients receive chemotherapy treatment, and to the creation of cancer centres in various cities within the Kingdom. Indeed, the Lalla Salma Foundation Against Cancer works to improve the handling of patients, to encourage prevention actions and to make the fight against cancer a public health priority in Morocco.

Partner of the El Jadida emergency medical assistance

TAQA Morocco is a partner in the project for the set-up of the El Jadida emergency medical assistance service; this medical emergencies service (SAMU), that adheres to international standards, serves to reduce the number of patients who die before arriving at the hospital emergency ward. Active throughout El Jadida Province, that has a total population of 635,000 people, the El Jadida emergency service performed more than 1,200 free emergency interventions through its 5 medical bases in El Jadida, Sidi Smaïl, Ouled Frej, Bir Jdid and Ouled Ghanem. Thanks to its ambulances and their high-performance equipment, the El Jadida service provides continuous care during transportation. With a constantly staffed hotline (24-by-7), the coordination of emergency resources is becoming easier and faster, and this also applies to the verification of the availability of hospital beds in order to direct patients towards the facility best able to look after them.

Grassroots health actions

TAQA Morocco works with the Sheik Zaïd Ibn Soltan foundation in order to provide free quality care to the most disadvantaged people who are often located in isolated rural areas.

Medical caravans are operated by a mobile multi-disciplinary medical unit that includes medical and paramedical teams from the Sheik Zaid Hospital (physicians, nurses and volunteers). This roaming multi-disciplinary diagnostic centre, working with an ophthalmology intervention unit, has carried out more than 500 cataract operations and provided more than 13,200 diagnoses in 11 cities of the Kingdom.



EDUCATION

School supplies operation

Each year, in close collaboration with the El Jadida Educational Delegation and the region's Municipalities, TAQA Morocco organises a distribution operation for school books and supplies for disadvantaged schools. This operation has involved more than 5,000 students, and is carried out by TAQA Morocco employees who serve as ambassadors of the company's civic policy.

Refurbishing of schools in the Sidi Abed region

As an extension of its CSR initiative, TAQA Morocco is involved in the refurbishment of rural schools in order to provide the students with a better setting for their educational development. In 2016, 3 school groups, i.e. 11 schools, benefited from this programme that included the replacement of damaged windows and screens, power and water connections, refreshing of classrooms, renovations of the roofs as well as equipment for IT rooms.

Preventing the vulnerability of young people...

TAQA Morocco works with the Kan Ya Makane association as part of its Tanouir programme in favour of basic education, that works to reduce drop-out rates from public schools. This programme, which involves 4 rural public schools in El Jadida, has involved 600 children between the ages of 6 and 16 years. Through this partnership, TAQA Morocco is helping to promote the personal and educational development of the students by providing them with access to multi-disciplinary artistic workshops, such as the theatre or visual arts, for example.

... because children are all equal and deserve a chance

TAQA Morocco supports children in difficulty through a partnership with the Bab Rayan association. Its task is to educate and protect the children, orphans, abandoned or mistreated, that it accommodates at its facility in Casablanca. Providing these children with a chance to have a future and to grow up with dignity while respecting family values are the key aims of the Association that, in 2016, cared for 39 children between the ages of 4 and 9 years, all of whom attended private schools.



CIVIC ACTIONS

ENVIRONMENT

Helping to protect the coast and encouraging socially and ecologically responsible actions

As part of its civic actions, TAQA Morocco supports the Mohammed VI Foundation for Environmental Protection by participating in the “Clean Beaches” programme. This programme includes management, development, preservation, education and information actions on preserving the environment of the Kingdom’s beaches. TAQA Morocco looked after the beaches of Sidi Bouzid and Sidi Abed by providing certain equipment: information signs, watchtowers, rescue equipment, selective sorting bins, infirmary, beach umbrellas and other elements intended to raise awareness regarding environmental protection. In 2011, the Mohammed VI Foundation for Environmental Protection recognised the contribution and efforts of TAQA Morocco and of the Community of Moulay Abdellah by awarding the “Blue Pavilion” label to the beach of Sidi Bouzid.

Environment Week or the sharing of environmental best practices

Each year, TAQA Morocco works with the Doukkala Association and the Province of El Jadida as part of the “Environment Week” in order to help establish and promote an environmental culture amongst the citizens of the province. The event welcomes researchers, leading academics and the main socio-economic operators, including TAQA Morocco, in order to present the actions and projects undertaken in an effort to protect the environment. During the 10th edition, TAQA Morocco presented its policy on the preservation of coastal regions.



CULTURE

Promoting culture with the Jawhara International Festival

TAQA Morocco makes it possible for thousands of people from different horizons to take part in free artistic programmes, including concerts, theatre performances and sports activities, throughout the El Jadida region. In 2016, the festival attracted 5 million visitors and around 500 artists and musicians.

Preservation of cultural heritage with the Moussem Moulay Abdellah Amghar

TAQA Morocco is a partner of the Moussem Moulay Abdellah Amghar, one of the most important events that commemorates the victorious battles of the city of El Jadida against the occupier: in 2016, this event of regional and national importance brought together nearly 3,000 horsemen and welcomed more than 500,000 visitors. Known for its evening performances that include orchestras and folklore troupes complete with elaborate scenery, the Moussem, which includes many other types of entertainment and fairs, is unquestionably the most important cultural event of the Doukkala region.





PRODUCING EFFICIENT ENERGY



AN ACTIVE AND INTEGRATED OPERATOR

AN ACTIVE AND INTEGRATED OPERATOR AS PART OF THE ENERGY MIX

The ambition of TAQA Morocco is to provide long-term support to the development of the energy mix on both the regional and national levels. The TAQA Group is already doing so by developing its production capacities with the extension of the Thermal Power Plant.

Financial solidity, significant fundraising ability, expertise, backing from the TAQA Group, confidence and support of major shareholders are some of the assets upon which TAQA Morocco can rely in order to seize opportunities in sectors including oil, gas, power and water, as well as any alternative energy solution.

Today, TAQA Morocco is becoming active in the wind turbines sector in Morocco, and it plans to actively participate in the Kingdom's Energy Plan.

Wind turbines, a development prospect as part of the energy mix

TAQA Morocco is supporting Morocco in its ambitious objective of having, by 2020, 42% of its energy mix from renewable sources, 52% by 2030.

With the aim of diversification within the energy mix, the Group is continuing to develop a wind turbine project in the Tétouan region, under the auspices of law 13-09. Law 13-09 allows the opening of the market for the production and marketing of electricity produced from renewable energies.

Developed in phases, the project will have an overall capacity of 200 MW. Phase 1 (Boujmil) is a 95 MW wind turbine park that should be operational by 2020.

For this project, TAQA Morocco is guaranteeing the availability of the energy during the production phase, and will operate the wind turbine farm. The wind turbines themselves will be provided by a renowned international operator.

In this way, TAQA Morocco is taking part in the energy growth momentum that is currently being seen in Morocco, while putting its expertise in the service of the Kingdom's economic development.



Brahim Benbachir
Business Development Director

“ THE PRODUCTION FROM THE WIND TURBINE PARK SHOULD REACH 750 GWH/YEAR, MEANING A REDUCTION OF EMISSIONS BY 470,000 TONNES OF CO₂ /YEAR. THE WIND TURBINE PROJECT WILL ENABLE TAQA MOROCCO TO BECOME THE REFERENCE AND CENTRE OF EXPERTISE IN RENEWABLE ENERGIES FOR THE TAQA GROUP. ”

JLEC 5&6, A MAJOR EXTENSION FOR THE COUNTRY

The extension of the Thermal Power Plant (JLEC 5&6) was designed as part of the Priority Action Plan initiated by the Moroccan State in order to secure Morocco's electricity supply.

Launched in May 2009 as part of an agreement protocol between the ONEE (National Electricity and Drinking Water Bureau) and TAQA/JLEC (that became TAQA Morocco in 2014), the project was signed in the presence of His Majesty King Mohammed VI and His Highness the Crown Prince of Abu Dhabi, Sheikh Mohammed Bin Zayed Al Nahyane.

With a capacity of 700 MW, Units 5&6 have as their main objective to respond, as soon as possible, to the needs of the ONEE (National Electricity and Drinking Water Bureau) for production means in order to secure the country's electricity supply.

The overall completed investment of 1.6 billion USD (13 billion dirhams), of which 1.4 billion USD equivalent raised in multi-currencies, represents the largest international financing operation in the last 10 years in Morocco, with the first ever participation of Japanese and Korean export credit institutions, as part of a "Project Finance" contract.

The extension of the Thermal power plant was completed in record time: 16 months between the launch of the invitation for tenders and the project's execution phase, and 3.5 years from the start of the project to the commercial commissioning of JLEC 56.

Units 5&6 also involved more than 6,000 employees, 4,000 direct and 2,000 indirect, of primarily local manpower. The start of the operational phase led to the creation of more than 135 direct jobs and 1,000 indirect jobs. TAQA Morocco developed a significant training and synergy programme that included significant transfers of know-how with the existing teams.

With an overall capacity of 2,056 MW, TAQA Morocco provides approximately 50% of the national electricity production.







FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS TO 31 DECEMBER 2016

CONSOLIDATED BALANCE SHEETS TO 31 DECEMBER			
(in thousands of dirhams)			
	Notes	2016	2015
ASSETS			
• Intangible assets	1.2.1 & 2.1	4,856,765	5,184,798
• Tangible assets	1.2.2 & 2.1	10,421,534	10,650,259
• Financial assets	2.2	4,345	6,060
• Unrealised foreign exchange losses		523,027	518,051
NON-CURRENT ASSETS		15,805,671	16,359,168
• Inventories	1.2.3 & 3	1,575,879	1,585,235
• Operating receivables	4	1,618,537	1,849,080
• Other receivables	5	623,800	751,812
• Short term deposits	6	2,274,948	2,795,575
• Unrealised foreign exchange losses		8,240	7,559
• Cash	7	591,350	271,828
CURRENT ASSETS		6,692,755	7,261,090
TOTAL ASSETS		22,498,426	23,620,258
LIABILITIES			
• Capital		2,358,854	2,358,854
• Share premium		1,164,805	1,164,805
• Consolidated reserves		679,835	421,502
• Group share of net income		978,488	965,994
• Group share of shareholder equity	8	5,181,982	4,911,155
• Minority interests		766,243	736,027
CONSOLIDATED SHAREHOLDERS EQUITY		5,948,225	5,647,183
Provisions for contingencies and losses	1.2.5 & 9	17,338	15,384
Funding debts	10	13,840,389	14,984,709
		13,857,727	15,000,093
• Operating debts	11	1,156,788	1,135,814
• Other debts	12	1,535,686	1,837,168
CURRENT LIABILITIES		2,692,474	2,972,982
		16,550,201	17,973,075
Total Liabilities		22,498,426	23,620,258

Notes 1 to 24 are integral parts of the financial statements.



CONSOLIDATED REVENUE AND EXPENSE ACCOUNTS TO 31 DECEMBER			
(in thousands of dirhams)			
	Notes	2016	2015
REVENUE			
Net turnover	13	8,049,378	8,887,789
Other operating income		905	2,166
Operating reversals and expense transfers		22,284	30,482
Total revenues		8,072,567	8,920,436
EXPENSES			
Purchases and other external expenses	14	4,286,599	5,024,687
Taxes and levies		24,422	24,344
Personnel expenses	15	229,940	233,665
Depreciation allowances and provisions	16	955,156	971,717
Total expenses		5,496,117	6,254,412
Operating income		2,576,450	2,666,025
Financial result	17	-708,915	-747,565
Operating income		1,867,535	1,918,459
Non-current income	18	2,670	-39,605
Pre-tax income		1,870,205	1,878,954
Corporation tax	19	572,502	587,532
Share in the earnings of companies accounted for using the equity method			
Net goodwill amortisation allowances			
Consolidated net income		1,297,703	1,291,422
Group share of net income		978,488	325,428
Minority interests		319,215	325,428
Net income per share (in dirhams)		41.48	40.95

Notes 1 to 24 are integral parts of the financial statements.

CONSOLIDATED FINANCIAL STATEMENTS TO 31 DECEMBER 2016

TABLE OF CONSOLIDATED STATEMENT OF CASH FLOW TO DECEMBER 31ST

(in thousands of dirhams)	2016	2015
Cash flow from operations		
Net income from integrated companies	1,297,703	1,291,422
Elimination of expenses and proceeds having no incidence on the cash or not linked to the business		
- Operating allowances and non-current provisions	936,135	928,365
- Variation of deferred taxes	21,038	107,271
- Capital gains from disposals net of tax	84	51
Change of Working Capital Requirements linked to the activity	68,380	490,854
Net cash flows generated by the activity	2,323,340	2,817,963
Cash flows related to investment operations		
Acquisitions of fixed assets	-385,185	-522,113
Disposals of fixed assets net of tax	1,715	3,048
Incidence of the perimeter change		
Net cash flow related to investment operations	-383,470	-519,065
Cash flows related to financing operations		
Dividends paid (*)	-996,656	-756,946
Capital increase in cash		
Issuing of loans		
Repayment of loans	-1,144,320	-1,225,584
Net cash flows from financing operations	-2,140,976	-1,982,530
Net increase/(decrease) in cash and cash equivalents	-201,105	316,368
Opening cash	3,067,403	2,751,035
Closing cash	2,866,299	3,067,403

(*) Of which dividends paid by TAQA Morocco, equal to KDH 707,656 in 2016 compared with KDH 518,947 in 2015.
The remainder consists of the dividends distributed by JLEC 5&6 to TAQA Power Ventures B.V

Notes 1 to 24 are integral parts of the financial statements.

TAQA MOROCCO GROUP CONSOLIDATED ADDITIONAL INFORMATION REPORT (ETIC) TO 31 DECEMBER 2016 AND 2015

1- ACCOUNTING PRINCIPLES AND VALUATION METHODS

The Group's main rules and principles are the following:

1.1 Consolidation principles and methods

The consolidation principles and methods used by the TAQA MOROCCO Group are compliant with the methodology adopted by the National Accounting Council for the preparation of consolidated financial statements in its opinion n°5.

1.1.1. Consolidation perimeter and methods

Les sociétés dans lesquelles le Groupe exerce directement The companies over which the Group has exclusive control, directly or indirectly, are integrated using the full consolidation method. Exclusive control is the direct or indirect power to steer a company's financial and operational policies in order to obtain the benefits of its activities.

The companies over which the Group has significant influence, directly or indirectly, are integrated using the equity method.

Significant reciprocal liabilities, debts, proceeds and expenses are eliminated in their entirety for fully consolidated companies.

1.1.2. Valuation methods

The expenses incurred in connection with Major overhauls, performed every 8 years according to a pre-established plan, are capitalised and amortised over the same duration.

1.2 Valuation methods

1.2.1. Initial right of possession

In compliance with the Transfer of Possession Agreement (Contrat de Transfert de Droit de Jouissance) or TPA and in return for payment of the Right of Possession Transfer Price indicated in this contract, ONE transferred to JLEC (now TAQA Morocco) its "right of possession" of the Site and of units 1 & 2.

This right of possession is capitalised in intangible assets and amortised over the concession duration, i.e. 30 years as of the Funding Set-up date.

- Initial right of possession

In compliance with the Transfer of Possession Agreement (Contrat de Transfert de Droit de Jouissance) or TPA and in return for payment of the Right of Possession Transfer Price indicated in this contract, ONE transferred to JLEC (now TAQA Morocco) its "right of possession" of the Site and of units 1 & 2. This right of possession is capitalised in intangible assets and amortised over the concession duration, i.e. 30 years as of the Funding Set-up date.

- Supplemental right of possession

TAQA MOROCCO then built Units 3 and 4 during a period, respectively, of 33 months and 40 months, as of the Funding Set-up date, and also carried out other investments related to the Site. During this period, the total corresponding expenses, including interim interest, were recognised in tangible fixed assets in progress. As of the Start-up of Unit 4 on 2 February 2001, the possession right of TAQA MOROCCO was extended to these new units. These intangible assets are amortised over the remaining period of the concession, i.e. 26 years and 7 months as of this date.

- Expenses for obtaining funding

The expenses incurred in order to obtain funding were recognised in intangible fixed assets and amortised over a period of five years. The periodic amortisation of these expenses is recorded in operating allowances in compliance with the provisions of the CGNC.

- Other project development expenses

As of the Funding Set-up, TAQA MOROCCO Company has recorded, as intangible fixed assets, certain expenses paid during the project's development period. These capitalised expenses are spread over the concession duration, i.e. 30 years as of the Funding Set-up.

1.2.2 Tangible fixed assets

This item includes tangible fixed assets for which the estimated useful life is shorter than the contract duration.

These fixed assets are recorded at their acquisition or production cost. Amortisations are calculated according to the straight-line method, and the applicable fiscal rates.

1.2.3 Inventories

Inventories are valued at their purchase cost. This cost includes the purchase price and the incidental purchase expenses. At the end of the year, inventories are valued using the Weighted Average Cost Method (WACM), except for inventories of spare parts that are valued using First In First Out (FIFO).

1.2.4 Receivables and debts in foreign currencies

Receivables and debts in foreign currencies are recognised at the prevailing exchange rate on the transaction date. These receivables and debts are converted at the closing rate and adjusted via the translation adjustment accounts.

Unrealised exchange losses are recorded in the income / expenses account by means of financial provisions, except for those related to funding debts denominated in American dollars and in euros, that are the subject of quasi-exchange hedging operations resulting from an overall exchange position.

Unrealised exchange gains are not recorded in the income / expenses account.

1.2.5 Provisions for contingencies and losses

On 31 December 2016, the provisions for contingencies and losses correspond with the provisions for employee benefit commitments, for which an independent firm provided an actuarial assessment.

These social commitments notably involve free electricity services provided to the TAQA Morocco statutory personnel.

1.2.6 Restatement of taxes

The deferred taxes resulting from consolidation adjustments are calculated company by company.

2. FIXED ASSETS

2.1. Fixed assets net of amortisation

in thousands of dirhams	31 December 2016			31 December 2015		
	Gross value	Prov. Amorts.	Net value	Gross value	Prov. Amorts.	Net value
Intangible fixed assets (*)	12,715,675	7,858,910	4,856,765	12,212,433	7,027,635	5,184,798
Tangible fixed assets (**)	11,777,636	1,356,102	10,421,534	11,594,762	944,503	10,650,259
Total	24,493,311	9,215,012	15,278,299	23,807,195	7,972,138	15,835,057

(*) Intangible fixed assets primarily include the TAQA Morocco right of possession in the net amount of DH 4,344,764,000.

(**) Tangible fixed assets primarily consist of investments in Units 5 & 6 and the port superstructure in the overall net amount of DH 9,978,184,000.

2.2. Financial fixed assets

in thousands of dirhams	31 December 2016	31 December 2015
Capitalised loans	3,633	5,348
Other financial fixed assets	712	712
Total	4,345	6,060

CONSOLIDATED FINANCIAL STATEMENTS TO 31 DECEMBER 2016

3. Inventories

in thousands of dirhams	31 December 2016			31 December 2015		
	Gross value	Provisions	Net value	Gross value	Provisions	Net value
Spare parts	938,710	19,200	919,500	931,183	20,175	911,008
Coal	569,290		569,290	583,234		593,234
Other inventories	87,079		87,079	90,993		90,993
Total	1,595,079	19,200	1,575,879	1,605,410	20,175	1,585,235

Inventories are primarily made up of coal and spare parts.

4. Operating receivables

in thousands of dirhams	31 December 2016			31 December 2015		
	Gross value	Provisions	Net value	Gross value	Provisions	Net value
Trade and other receivables	1,618,537		1,618,537	1,866,495	17,415	1,849,090
Total	1,618,537		1,618,537	1,866,495	17,415	1,849,090

The accounts receivable primarily include the last two TAQA Morocco invoices for November and December, and JLEC 5&6 invoices for August and September, in compliance with the payment deadlines for the Electrical Energy supply contracts.

5. Miscellaneous accounts receivable

in thousands of dirhams	31 December 2016			31 December 2015		
	Gross value	Provisions	Net value	Gross value	Provisions	Net value
Debtor suppliers	21,909		21,909	34,371		34,371
Personnel	2,230		2,230	2,180		2,180
State	558,503		558,503	645,385		645,385
Deferred tax assets	29,101		29,101	56,526		56,526
Other debtors	989		989	987		987
Accrued income	11,068		11,068	12,363		12,363
Total	623,800		623,800	751,812		751,812

6. Investment securities

The investment securities consist of investments of surplus cash in money market and bond unit trusts, and in term deposits.

7. Cash

in thousands of dirhams	31 December 2016	31 December 2015
Cash assets	591,350	271,828
Passive cash flow		
Total	591,350	271,828

The bank accounts of TAQA Morocco denominated in MAD, in EURO and in USD are open in the following banks: Attijariwafa Bank, BCP, BMCE, Société Générale and BMCI.

The bank accounts of JLEC 5&6 denominated in MAD, in EURO and in USD are open in the BCP and BNP Paribas London.

8. Group share of shareholders' equity

The change of the Group share of consolidated shareholders equity can be analysed as follows:

CONSOLIDATED TABLE OF CHANGES OF SHAREHOLDER'S EQUITY (GROUP SHARE)					
in thousands of dirhams	Capital	Share premium	Consolidated reserves	Financial year result	Consolidated shareholders equity
In thousands of dirhams					
Situation at the end of 2014	2,358,854	1,135,409	336,647	798,678	4,629,588
Appropriation of the earnings			279,730	-798,678	-518,948
Other changes			-165,479		-165,479
Net income on 31 December 2015				965,994	965,994
Situation at the end of 2015	2,358,854	1,135,409	450,898	965,994	4,911,155
Appropriation of the earnings			258,333	-965,994	-707,661
Net income on 31 December 2016				978,488	978,488
Situation at the end of 2016	2,358,854	1,135,409	709,231	978,488	5,181,982

9. Provisions for contingencies and losses

in thousands of dirhams	31 December 2016	31 December 2015
Provisions for contingencies		
Provisions for losses	17,338	15,384
Total	17,338	15,384

The provisions for losses correspond with the provisions for employee benefit commitments, for which an independent firm provided an actuarial assessment. These social commitments notably involve free electricity services provided to the TAQA Morocco statutory personnel.

10. Funding debts

in thousands of dirhams	31-Dec-2016	31-Dec-2015
TAQA Morocco	4,086,602	4,485,294
JLEC 5&6	9,753,787	10,499,415
Total	13,840,389	14,984,709

- TAQA Morocco

Nature of the loan	Taux d'intérêt fixe	Mode de remboursement	Encours (Mdh)	
			2016	2015
Bank loan	5.30%	Straight line	4,086,602	4,485,294
Total			4,086,602	4,485,294

After amendment n°6 of the TAQA Morocco funding contract signed on 3 July 2015, the interest rate of the long-term loan was lowered from 5.80% to 5.30% before tax.

- JLEC 5 & 6

Credit line	Interest rate	Currency	Total facility amount in original currency	Balance on 30 September 2016 in equivalent Dirhams	Balance on 30 September 2015 in equivalent Dirhams
JBIC Direct Loan	4.23%	USD	216,000,000	1,844,780	1,988,325
NEXI Covered Loan	3.92%	EUR	115,200,000	1,131,382	1,217,629
KEXIM Direct Loan	4.27%	EUR	156,000,000	1,531,461	1,648,567
KEXIM Covered Loan	5.16%	EUR	104,000,000	1,020,974	1,099,045
EUR TERM Facility	4.52%	EUR	30,000,000	294,800	317,362
MAD TERM Facility	6.75%	MAD	2,990,000,000	2,612,224	2,818,570
TAQA International BV	7.00%	USD	153,900,000	1,318,167	1,409,918
Total				9,753,787	10,499,415

CONSOLIDATED FINANCIAL STATEMENTS TO 31 DECEMBER 2016

11. Operating liabilities

in thousands of dirhams	31 December 2016	31 December 2015
Trade payables	1,156,788	1,135,814
Total	1,156,788	1,135,814

Coal suppliers represent 61% of the trade payables on 31 December 2016.

12. Other liabilities

in thousands of dirhams	31 December 2016	31 December 2015
Trade receivables	16,477	112,653
Personnel	40,215	41,841
Social institutions	8,435	10,610
State	374,081	386,003
Deferred tax liabilities	138,796	145,182
Accounts of associates	288,999	238,000
Other creditors	475,927	691,127
Accrued liabilities	181,750	192,607
Other provisions for contingencies and losses	11,006	19,145
Total	1,535,686	1,837,168

The liabilities to the State primarily consist of the debt with regard to corporate income tax and the accounts for invoiced VAT.

The other creditors primarily include the ONEE advances relative to the VAT credit in compliance with the provisions of the electrical energy supply contract, as well as the dividends to be paid by JLEC 5&6 to TAQA Power Ventures B.V.

13. Net turnover

in thousands of dirhams	31 December 2016	31 December 2015
Power cost	4,266,686	4,338,740
Energy cost	3,612,018	4,368,871
Other income	170,674	180,178
Total	8,049,378	8,887,789

The consolidated turnover fell by 10% between 2015 and 2016, primarily due to:

- The completion of Unit 5 minor overhaul in accordance with the maintenance plan;
- The decrease of energy expenses after the change of the coal purchase price.

14. Purchases and other external expenses

in thousands of dirhams	31 December 2016	31 December 2015
Consumption of coal	3,659,794	4,426,172
Consumption of fuel oil	23,453	15,426
Other consumed purchases	307,378	284,987
Other external expenses	295,974	298,102
Total	4,286,599	5,024,687

15. Purchases and external expenses

in thousands of dirhams	31 December 2016	31 December 2015
Personnel expenses	229,940	233,665
Average number of employees	442	463
Average salary	520	504

The increase of the average salary can notably be explained by the wage increases granted during the year.

16. Operating allowances

in thousands of dirhams	31 December 2016	31 December 2015
Amortisation allowances	936,136	951,542
Average number of employees	19,020	20,175
Average salary	955,156	971,717

The provision allowances are primarily used as part of the provisions for depreciation of spare parts.

17. Financial results

in thousands of dirhams	31 December 2016	31 December 2015
Interest and other financial proceeds	71,673	38,550
Financial reversals and expense transfers	3,272	9,239
Exchange result	5,073	58,311
Interest expenses	(782,833)	(850,393)
Financial allocations	(6,100)	(3,272)
Total	(708,915)	(747,565)

The interest and other financial income correspond with the investment revenues from cash surpluses. The increase seen in this item is primarily due to the increase of the invested cash surpluses.

The financial reversals correspond with reversals of provisions for currency exchange loss of the previous financial year.

The interest expenses correspond with the interest on the loans obtained by the companies TAQA Morocco and JLEC 5&6. The decline results from the combined effect of the falling rates seen on the level of TAQA Morocco as of 3 July 2015, as well as the decrease of receivables.

18. Non-current income

in thousands of dirhams	31 December 2016	31 December 2015
Capital gains on fixed asset disposals	124	73
Other non-current revenue	38,258	5,350
Non-current reversals and expense transfers	3,685	3,962
Other non-current expenses	(25,696)	(37,996)
Non-current depreciation and provision allocations	(13,701)	(10,895)
Total	2,670	(39,506)

The other non-current proceeds primarily include provision reversals recognised by JLEC 5&6 for an amount of DH 20.6 million

The other non-current expenses primarily correspond with the corporate solidarity contribution for DH 18.1 million.

19. Corporation tax

in thousands of dirhams	31 December 2016	31 December 2015
Current taxes	551,464	480,261
Deferred tax	21,038	107,271
Total	572,502	587,532

The deferred tax results only from the consolidation adjustments (notably temporary differences).

The tax proof is presented as follows:

in thousands of dirhams	2016	2015
Pre-tax income	1,870,205	1,878,954
Neutralisation of earnings of companies accounted for using the equity method		
Income before taxes from consolidated companies	1,870,205	1,878,954
Income tax expense (*)	31%	30%
Theoretical tax	579,764	563,686
Fiscally re-integrated depreciation allowances	7,277	7,035
Fiscally re-integrated donations and gifts	645	312
Non-deductible taxes (CSS)	-532	16,895
Other permanent differences	-2,330	-985
Other restatements	-12,322	589
Total tax charge	572,502	587,532

20. Off-balance sheet commitments

in thousands of dirhams	31 December 2016	31 December 2015
Commitments given (endorsements and sureties)	831,506	965,761
Commitments received (endorsements and sureties)	538,749	598,055

CONSOLIDATED FINANCIAL STATEMENTS TO 31 DECEMBER 2016

The list of JLEC 5&6 assets that are the subject of a real surety in connection with the funding, construction and operation of Units 5 and 6 of the Jorf Lasfar Thermal Power Plant (the "Project") is the following:

- two pledges relative to all of the shares (less three shares) of JLEC 5&6, representing 100% (less three shares) of its share capital;
- a real estate mortgage on the surface right held by JLEC 5&6 on the site of Units 5 and 6 and that is the subject of the special security n°146.616/08/BIS and of the special security n°146.617/08/BIS;
- a framework agreement for the assignment of professional receivables relative to certain Project contracts and the corresponding documents for the assignment of professional receivables;
- a framework agreement for the assignment of professional receivables;
- insurance benefit delegations relative to the insurance policies arranged as part of the Project;
- pledges of the balances of bank accounts dedicated to JLEC 5&6;
- a pledge of receivables of hedge instruments obtained as part of the JLEC 5&6 project;
- a pledge of receivables from the reinsurance benefits related to the reinsurance policies obtained as part of the JLEC 5&6 Project;
- insurance benefits of TAQA Morocco.

21. Transactions with related parties

The transactions with related parties in 2016 are summarized below:

Agreement	Related party	Transaction type	Amount recorded on the level of the IEA 2016 (in KDH)
Service providing contract (finalizing of the accounting closings, assistance with the reporting obligations and legal aspects).	TNA	Service providing	6,144
TAQA Morocco provides JLEC 5&6 with services, notably in the following domains: HR (recruiting, training), technical support, logistics and purchases, IT, implementation of the health, safety & environment procedures, as well as security	JLEC 5&6	Service providing	10,445
O&M contract between JLEC, TNA and JLEC 5&6	JLEC, JLEC 5&6 and TNA	Service providing	7,275
O&M contract between JLEC, TNA and JLEC 5&6	JLEC, JLEC 5&6 and TNA	Service providing	51,226
A contract known as "IPFPA" (Inter-Project Funding Providers Agreement) and its application protocol "SFIPAP" (Shared Facilities Insurance Proceeds Application Protocol)	JLEC-JLEC 5&6	Service providing	
Re-invoicing of expenses (notably plane tickets for business travel abroad)	Abu Dhabi National Energy Company (TAQA)	Service providing	511
« EPA » (Equity Parties Agreement)	Abu Dhabi National Energy Company (TAQA), JLEC, JLEC 5&6, Taqa Power Ventures BV	Service providing	
Subordinated loans granted to JLEC 5&6 in order to finance the development and construction costs	TAQA International BV	Interest	133,085
O&M contract	TNA	Service providing + bonus - penalty	66,172

22. Contingent liabilities

The list of JLEC 5&6 asset subject to a real collateral security as part of the financing, the construction and the operating of Units 5&6 of the Thermal power station of Jorf Lasfar (the "Project") is found below:

- Two collateral securities for all of the shares (minus three shares) of JLEC 5&6, representing 100% (minus three shares) of its share capital;
- A real estate mortgage covering the surface rights, which JLEC 5&6 holds for the Units 5&6 site and subject to special title n° 146,616/08/BIS and special title n°146,617/08/BIS;
- A convention framework for the transfer of trade debts carrying certain Project contracts and the corresponding transfer acts of trade debts;
- A convention framework for the transfer of trade debts;
- The delegations for insurance allowances carrying the insurance underwritten as part of the Project;
- Collateral securities for the balances of bank accounts dedicated to JLEC 5&6;
- Collateral security for hedging instruments concluded as part of the JLEC 5&6 Project;
- A transfer of rents receivables for reinsurance allowances relying on the reinsurance underwritten as part of the JLEC 5&6 Project.
- Reinsurance allowances of TAQA Morocco.

23. Events after the closing

No significant event likely to have an impact on the Company's financial situation has occurred since the closing of FY 2016.

24. Scope of consolidation

Subsidiaries	DECEMBER 2016			DECEMBER 2015		
	interest %	control %	Method	interest %	control %	Method
TAQA MOROCCO	100	100	Full	100	100	Full
JLEC 5&6	66	66	Full	66	66	Full



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AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2016

We audited the attached consolidated financial statements of the TAQA Morocco company and of its subsidiary (TAQA Morocco group), including the consolidated balance sheet to 31 December 2016 and the income statement, the report on changes to the shareholder's equity and the cash flow statement for the year ending on that date, and the notes containing a summary of the main accounting methods and other explanatory notes. These financial statements bring to light an amount of consolidated shareholders equity of KMAD 5,948,225, including a consolidated net profit of KMAD 1,297,703.

Management responsibility

The management is responsible for the preparation and truthful presentation of these consolidated financial statements, in compliance with the applicable national accounting standards. This responsibility includes the design, set-up and monitoring of an internal control system relative to the preparation and truthful presentation of consolidated financial statements that are free of significant anomalies, whether resulting from fraud or errors, as well as the determination of reasonable accounting estimates in view of the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion regarding these consolidated financial statements on the basis of our audit. We conducted our audit in accordance with the standards of the profession in Morocco. These standards require that we comply with the ethical rules, and that we plan and carry out the audit in order to obtain reasonable assurance that the consolidated financial statements contain no significant anomaly.

An audit implies the implementation of procedures intended to gather evidence supporting the amounts and information contained in the consolidated financial statements. The choice of procedures is made by the auditor, as is the assessment of the risk that the consolidated financial statements contain significant anomalies, whether resulting from fraud or error. When carrying out these risk assessments, the auditor takes into account the internal control used within the entity relative to the preparation and presentation of the consolidated financial statements in order to define audit procedures appropriate to the situation, but not in order to express an opinion on the efficiency of the entity's internal control.

An audit also includes an assessment of the appropriate nature of the adopted accounting methods and of the reasonable nature of the accounting estimates made by the management, as well as an assessment of the overall presentation of the consolidated financial statements.

We feel that the collected evidence is sufficient and appropriate for the basis of our opinion.

Opinion on the consolidated financial statements

In our view, the consolidated financial statements indicated in the first paragraph above provide, in all significant aspects, a truthful view of the financial situation of the TAQA Morocco Group as made up of the companies included in the consolidation as on 31 December 2016, as well as of the financial performance and cash flows for the financial year ending on that date, in compliance with the accounting standards in effect in Morocco.

Without calling the above opinion into account, we draw your attention to the fact that, in 2016, the company was the subject of a tax audit relative to the value added tax for the 2008-2015 period, corporation tax for the 2012-2015 period, income tax for the 2012-2015 period as well as the corporate solidarity contribution on profits and earnings for the 2013-2015 period. The company received a first notification from the tax department on 16 December 2016, and a second on 2 March 2017. The company responded by rejecting most of the reasons for the adjustments on 13 January 2017, and is preparing its response to the second notification.

Casablanca, 22 March 2017

The Statutory auditors

ERNST & YOUNG

Bachir TAZI
Associate

BENJELLOUN TOUIMI CONSULTING

**Abdelmajid
BENJELLOUN
TOUIMI**
Associate

STATUTORY ACCOUNTS AS OF DECEMBER 31ST, 2016

BALANCE SHEET					
From January 2016 to December 2016					
	ASSETS		CURRENT YEAR		PREVIOUS YEAR
		GROSS	Dep/Amort. and provisions	Net	Net
L O N G T E R M A S S E T S	CAPITALIZED COST (A)		and provisions		
	• Pre-Operating Costs				
	• Deferred Expenditures	406,281,075.31	224,680,009.65	181,601,065.66	133,559,579.59
	• Bond Reimbursement Costs				
	INTANGIBLE ASSETS (B)	11,883,595,455.48	7,293,214,629.15	4,590,380,826.33	4,992,110,871.57
	• Research and development Costs	11,096,260,316.18	6,751,496,377.94	4,344,763,938.24	4,723,537,080.97
	• Licenses, trademarks, rights and similar values				
	• Goodwill	787,335,139.30	541,718,251.21	245,616,888.09	268,573,790.60
	• Other intangible assets				
	FIXED ASSETS (C)	800,847,984.97	482,041,998.26	318,805,986.71	338,605,141.69
	• Land				
	• Constructions	2,104,303.57	436,902.83	1,667,400.74	1,341,734.17
	• Technical installations, tools and equipment	426,151,081.51	331,549,594.54	94,601,486.97	79,048,128.98
	• Vehicles	2,214,265.53	2,014,376.64	199,888.89	267,473.21
	• Office furniture and equipment other fixtures and furnishing	260,267,653.63	147,783,253.49	112,484,400.14	97,762,202.76
	• Other fixed assets	313,970.50	257,870.76	56,099.74	92,865.56
	• Fixed assets in progress	109,796,710.23		109,796,710.23	160,092,737.01
	LONG TERM FINANCIAL ASSETS (D)	1,204,082,221.86		1,204,082,221.86	1,205,797,252.89
	• Loans	3,633,159.00		3,633,159.00	5,348,190.03
	• Other long term financial assets	449,462.86		449,462.86	449,462.86
	• Shares, Interests	1,199,999,600.00		1,199,999,600.00	1,199,999,600.00
	• Other investments				
	LONG TERM EXCHANGE FLUCTUATION (E)				
	• Decrease in long term assets				
	• Increase in long term liabilities				
	TOTAL I (A+B+C+D+E)	14,294,806,737.62	7,999,936,637.06	6,294,870,100.56	6,670,072,845.74
C U R R E N T A S S E T S	INVENTORIES (F)	1,060,639,929.77	16,241,421.30	1,044,398,508.47	1,039,115,043.46
	• Merchandises				
	• Consumables	1,060,639,929.77	16,241,421.30	1,044,398,508.47	1,039,115,043.46
	• Work in progress				
	• Intermediary inventories				
	• Finished goods				
	CURRENT ASSETS (G)	1,912,546,846.44		1,912,546,846.44	2,061,709,539.89
	• Suppliers advances	16,797,641.49		16,797,641.49	21,006,772.10
	• Trade receivables	871,127,356.66		871,127,356.66	1,117,225,544.20
	• Employee	1,572,495.56		1,572,495.56	1,843,930.03
	• Recoverable VAT	458,049,785.34		458,049,785.34	454,675,012.25
	• Affiliates current accounts				
	• Other debtors	560,994,249.81		560,994,249.81	461,995,264.55
	• Prepaid	4,005,317.58		4,005,317.58	4,963,016.76
	SHORT TERM INVESTMENTS (H)	941,211,262.60		941,211,262.60	484,291,324.56
	SHORT TERM EXCHANGE FLUCTUATION (I)	3,985,250.71		3,985,250.71	3,878,843.43
	(Current elements)				
	TOTAL II (F+G+H+I)	3,918,383,289.52	16,241,421.30	3,902,141,868.22	3,588,994,751.34
C A S H	Cash and Banks				
	• Checks & cash in transit				
	• Banks	12,467,421.02		12,467,421.02	35,354,815.56
	• Petty cash	31,200.68		31,200.68	9,437.10
	TOTAL III	12,498,621.70		12,498,621.70	35,364,252.66
	GRAND TOTAL I+II+III	18,225,688,648.84	8,016,178,058.36	10,209,510,590.48	10,294,431,849.74

BALANCE SHEET

From January 2016 to December 2016

	LIABILITIES	FINANCIAL YEAR	PREVIOUS YEAR
L O N G T E R M	SHAREHOLDERS EQUITY (A)		
	• Share capital (1)	2,358,854,200.00	2,358,854,200.00
	• Minus : subscribed and not paid up capital		
	• Issuance, merger and transfer premiums	1,164,804,710.00	1,164,804,710.00
	• Write up variances		
	• Legal reserve	235,885,420.00	235,885,420.00
	• Investment reserve		
	• Other reserves	150,927,276.88	16,968,873.40
	• Retained earnings (2)		
	• Earnings to be allocated (2)		
L I A B I L I T I E S	• Net earnings (2)	938,705,619.89	841,614,663.48
	Total shareholders equity (A)	4,849,177,226.77	4,618,127,866.88
	ASSIMILATED EQUITY (B)		
	• Investment Subsidy		
	• Regulated reserves		
	LONG TERM FINANCIAL DEBTS (C)	4,086,601,307.31	4,485,294,117.67
	• Bonds issued		
	• Other long term financial debts	4,086,601,307.31	4,485,294,117.67
	LONG TERM PROVISIONS (D)	17,338,168.00	15,384,492.00
	• Risk provisions		
C U R R E N T A S S E T S	• Provisions for costs	17,338,168.00	15,384,492.00
	LONG TERM EXCHANGE FLUCTUATION (E)		
	• Increase in receivables		
	• Reduction in financial debt		
	Total I (A+B+C+D+E)	8,953,116,702.08	9,118,806,476.55
	CURRENT LIABILITIES (F)	1,247,258,495.20	1,159,265,149.56
	• Trade payables	662,280,462.41	540,967,118.18
	• Client advances	9,918,766.52	34,294,234.83
	• Employee	33,448,161.97	35,679,260.52
	• Social security / Pension funds	6,697,230.86	9,650,157.52
C A S H	• State	128,614,767.44	145,118,045.14
	• Affiliates current accounts	1,697.19	1,697.19
	• Other creditors	401,411,129.82	390,409,499.37
	• Accruals	4,886,278.99	3,145,136.81
	OTHER PROVISIONS (G)	6,962,150.32	12,758,571.66
	SHORT TERM EXCHANGE FLUCTUATION (H)	2,173,242.88	3,601,651.97
	Total II (F+G+H)	1,256,393,888.40	1,175,625,373.19
	BANK-OVERDRAFTS		
	• Discounted bills		
	• Overdrafts		
	• Banks (Credit balance)		
	Total III		
	GRAND TOTAL I+II+III	10,209,510,590.48	10,294,431,849.74

(1) Debtor personal capital (-)

(2) Profitable (+) Loss-making (-)

STATUTORY ACCOUNTS AS OF DECEMBER 31ST, 2016

INCOME STATEMENT					
From January 2016 to December 2016					
		OPERATIONS		CURRENT YEAR 3 = 1 + 2	PREVIOUS YEAR 4
		Related to this year 1	Related to Previous year 2		
E X P L O I T A T I O N	I OPERATING INCOME				
	• Sales of goods				
	• Sales of services and produced goods	4,505,769,456.93		4,505,769,456.93	4,887,224,375.99
	• Turnover				
	• Inventory variation (+/-) (1)				
	• Self-constructed fixed asset				
	• Operating subsidy				
	• Other revenues				
	• Operating expense adjustments;	904,764.58		904,764.58	2,165,558.31
	• Operating expense transfers	17,396,496.40		17,396,496.40	23,285,103.50
	TOTAL I	4,524,070,717.91		4,524,070,717.91	4,912,675,037.80
	II OPERATING EXPENSES				
	• Resold purchases (2) of goods				
	• Consumed purchases (2) of materials and supplies	2,820,836,532.30		2,820,836,532.30	3,174,372,842.01
	• Other external expenses	164,912,462.30		164,912,462.30	174,178,107.52
	• Taxes and levies	23,516,745.27		23,516,745.27	23,658,209.67
	• Personnel expenses	186,460,066.72		186,460,066.72	198,923,581.02
	• Other operating expenses				
	• Operating allowances	564,930,449.47		564,930,449.47	569,255,407.84
	TOTAL II	3,760,656,256.06		3,760,656,256.06	4,140,388,148.06
	III OPERATING RESULT (I-II)	763,414,461.85		763,414,461.85	772,286,889.74
	IV FINANCIAL INCOME				
F I N A N C I A L R	• Equity securities and other investments	560,994,249.81		560,994,249.81	461,995,264.55
	• Exchange gains	6,571,007.20		6,571,007.20	63,485,571.40
	• Interest and other financial proceeds	22,785,013.28		22,785,013.28	20,427,880.48
	• Financial reversals;	85,860.63		85,860.63	199,479.93
	charge transfers				
	TOTAL IV	590,436,130.92		590,436,130.92	546,108,196.36
	V FINANCIAL CHARGES				
	• Interest expenses	232,980,850.52		232,980,850.52	266,708,047.33
	• Exchange losses	3,868,400.15		3,868,400.15	27,417,470.77
	• Other financial expenses				
	• Financial allocations	2,056,314.93		2,056,314.93	85,860.63
	TOTAL V	238,905,565.60		238,905,565.60	294,211,378.73
	VI FINANCIAL RESULT (IV - V)	351,530,565.32		351,530,565.32	251,896,817.63
	VII OPERATING INCOME (III + VI)	1,114,945,027.17		1,114,945,027.17	1,024,183,707.37

(1) Inventory variation: final inventory - initial inventory; increase (+) decrease (-)

(2) Purchases resold or consumed: purchases - inventory variation



INCOME STATEMENT						
Financial year from 01/01/2016 to 31/12/2016						
			OPERATIONS		FINANCIAL YEAR TOTALS 3 = 1 + 2	PREVIOUS FINANCIAL YEAR TOTALS
			Specific to the financial year 1	Concerning previous FYs 2		
	VII	CURRENT INCOME (reports)	1,114,945,027.17		1,114,945,027.17	1,024,183,707.37
NON C O U R A N T	VIII	UNUSUAL REVENUES				
		• Proceeds from fixed assets disposals	174,100.00		174,100.00	73,000.00
		• Balance subsidy				
		• Investment subsidy / Current year				
		• Other unusual revenues	946,825.93		946,825.93	621,495.07
		• Unusual expenses reductions ; Unusual expenses transfer	19,068,658.39		19,068,658.39	3,961,205.70
		TOTAL VIII	20,189,584.32		20,189,584.32	4,655,700.77
	IX	Unusual expenses				
		• Sold fixed assets net book value	49,677.95		49,677.95	
		• Subsidies awarded				
		• Other unusual expenses	3,556,946.29		3,556,946.29	17,917,133.78
		• unusual allotment for current year depreciations and provisions	28,855,754.14		28,855,754.14	2,287,755.00
		TOTAL IX	32,462,378.38		32,462,378.38	20,204,888.78
	X	UNUSUAL INCOME (VIII - IX)	(12,272,794.06)		(12,272,794.06)	(15,549,188.01)
	XI	PRETAX INCOME (VII + X)	1,102,672,233.11		1,102,672,233.11	1,008,634,519.36
	XII	INCOME TAX	163,966,613.22		163,966,613.22	167,019,855.88
	XIII	NET EARNINGS (XI - XII)	938,705,619.89		938,705,619.89	841,614,663.48
	XIV	TOTAL REVENUES (I + IV + VIII)	5,134,696,433.15		5,134,696,433.15	5,463,438,934.93
	XV	TOTAL EXPENSES (II + V + IX + XII)	4,195,990,813.26		4,195,990,813.26	4,621,824,271.45
	XVI	NET PROFIT (TOTAL REVENUES - TOTAL EXPENSES)	938,705,619.89		938,705,619.89	841,614,663.48

STATUTORY ACCOUNTS AS OF DECEMBER 31ST, 2016

STATUS OF MANAGEMENT BALANCES (ESG)					
I. SUMMARY OF RESULT FORMATION (TFR)					
			Financial year from 01/01/2016 to 31/12/2016		
			FINANCIAL YEAR	PREVIOUS FY	
1		Sales			
2	-	Sales purchase value			
I	=	GROSS MARGIN ON COMMERCIAL ACTIVITIES			
II	+	PRODUCTION (3+4+5)	4,505,769,456.93	4,887,224,375.99	
3		• sales of goods and produced services	4,505,769,456.93	4,887,224,375.99	
4		• Inventory variation			
5		• Self-constructed fixed asset			
III	-	CONSUMPTION (6+7)	2,985,748,994.60	3,348,550,949.53	
6		• Cost of goods sold	2,820,836,532.30	3,174,372,842.01	
7		• Other external expenses	164,912,462.30	174,178,107.52	
IV	=	ADDED VALUE (I+II-III)	1,520,020,462.33	1,538,673,426.46	
8	+	Operating subsidy			
9	-	Taxes	23,516,745.27	23,658,209.67	
10	-	Payroll and Salaries	186,460,066.72	198,923,581.02	
V	=	OPERATING SURPLUS OR OPERATING DEFICIT	1,310,043,650.34	1,316,091,635.77	
11	+	Other operation revenues	904,764.58	2,165,558.31	
12	-	Other operation expenses			
13	+	Operating costs reductions; operating expenses transfer	17,396,496.40	23,285,103.50	
14	-	Operating depreciations	564,930,449.47	569,255,407.84	
VI	=	OPERATING INCOME (+ ou -)	763,414,461.85	772,286,889.74	
VII	+/-	FINANCIAL INCOME (LOSS)	351,530,565.32	251,896,817.63	
VIII	=	USUAL INCOME (+ or -)	1,114,945,027.17	1,024,183,707.37	
IX	+/-	UNUSUAL INCOME (LOSS)	(12,272,794.06)	(15,549,188.01)	
15	-	Income tax	163,966,613.22	167,019,855.88	
X	=	NET EARNINGS (LOSS) (+ OR -)	938,705,619.89	841,614,663.48	

II. SELF-FINANCING CAPACITY (SFC) -- SELF-FINANCING					
1		Net result of current year			
	=	• profit +	938,705,619.89	841,614,663.48	
	=	• Loss -			
2	+	Operating depreciation	548,689,028.17	551,858,911.44	
3	+	Financial depreciation			
4	+	Unusual depreciation	17,338,168.00	15,384,492.00	
5	-	Operating costs reductions			
6	-	Financial costs reductions			
7	-	Unusual costs reductions	15,384,492.00	13,936,737.00	
8	-	Revenues from fixed assets sales	174,100.00	73,000.00	
9	+	Net book values of sold fixed assets	49,677.95		
I		SELF-FINANCING CAPACITY (SFC)	1,489,223,902.01	1,394,848,329.92	
10	-	Distribution of dividends	707,656,260.00	518,947,924.00	
II		SELF-FINANCING	781,567,642.01	875,900,405.92	

(1) Excluding allowances relative to current assets and liabilities, and relative to cash

(2) Excluding reversals relative to current assets and liabilities, and relative to cash

(3) Including reversals on investment subsidies.

NOTE: The CAF calculation can also be performed from the EBE.

STATUS OF CASH FLOW					
I. SUMMARY OF THE BALANCE SHEET AGGREGATES			Financial year from 01/01/2016 to 31/12/2016		
AGGREGATES		YEAR N	YEAR N-1	CHANGE A-B	
				Uses C	Sources D
1	Long Term Liabilities	8,953,116,702.08	9,118,806,476.55	165,689,774.47	
2	Long Term Assets	6,294,870,100.56	6,670,072,845.74		375,202,745.18
3	WORKING CAPITAL (1-2)	2,658,246,601.52	2,448,733,630.81		209,512,970.71
4	Current Assets	3,902,141,868.22	3,588,994,751.34	313,147,116.88	
5	Current Liabilities	1,256,393,888.40	1,175,625,373.19		80,768,515.21
6	NET CURRENT ASSETS (4-5)	2,645,747,979.82	2,413,369,378.15	232,378,601.67	
7	NET CASH (3-6) A - B	12,498,621.70	35,364,252.66		22,865,630.96

II. USES AND SOURCES OF FUNDS				
	CURRENT		PREVIOUS PERIOD	
	USES	SOURCES	USES	SOURCES
I. LONG TERM SOURCES OF FUNDS FOR THE CURRENT YEAR				
• SELF FINANCING (A)		781,567,642.01		875,900,405.92
• Self Financing Capacity		1,489,223,902.01		1,394,848,329.92
- Dividends distribution		(707,656,260.00)		(518,947,924.00)
• TRANSFER AND REDUCTIONS OF LONG TERM ASSET (B)		2,172,546.74		5,816,629.04
• Intangible assets transfer				
• Fixed assets disposal		457,515.71		73,000.00
• Financial assets transfer				
• Long term assets recovery		1,715,031.03		5,743,629.04
• INCREASE IN EQUITY (C)				
• INCREASE IN SHARE EQUITY				
• Investment subsidy				
• INCREASE IN FINANCIAL DEBTS (D)				
TOTAL I (A+B+C+D)		783,740,188.75		881,717,034.96
II. LONG TERM USES OF FUNDS ACQUISITIONS AND ADDITIONS IN LONG TERM ASSETS (E)	46,036,092.09		79,748,558.66	
• Intangible asset additions			8,500.58	
• Fixed asset acquisitions			79,740,058.08	
• Financial and other assets acquisitions				
• Increase in other long term assets				
• REIMBURSEMENT OF SHARE EQUITY (F)				
• LOAN REPAYMENTS (G)	398,692,810.36		398,692,810.97	
• INCREASE IN CAPITALIZED COSTS (H)	129,498,315.59		113,120,639.58	
TOTAL II. (E+F+G+H)	574,227,218.04		591,562,009.21	
III. NET CURRENT ASSETS VARIATION	232,378,601.67		282,798,633.91	
IV. NET CASH VARIATION		22,865,630.96	7,356,391.84	
TOTAL	806,605,819.71	806,605,819.71	881,717,034.96	881,717,034.96

STATUTORY ACCOUNTS AS OF DECEMBER 31ST, 2016

TAQA MOROCCO

ADDITIONAL INFORMATION REPORT (ETIC) TO 31 DECEMBER 2016

A- ACCOUNTING PRINCIPLES AND METHODS

A.0 / GENERAL INFORMATION ON THE ACTIVITY

A.0.1 BACKGROUND

The Jorf Lasfar Thermal Power Plant is located on the Atlantic coast of Morocco, adjacent to the Port of Jorf Lasfar, in the province of El Jadida. The site is located approximately 127 Km south-west of Casablanca. Units 1 and 2 of the thermal power plant were built by GEC Alsthom on behalf of the ONE (National Electricity Board), and completed in 1994. Each of these units, using coal as fuel, has a capacity of 330 MW.

In October 1994, the ONE issued an international invitation to tender for the concession of the Jorf Lasfar Thermal Power Plant for a period of 30 years. The Consortium made up of ABB Energy Ventures and CMS Generation (the Consortium) was selected in February 1995.

The agreement in principle between ONE and the Consortium in April 1996 enabled negotiations to begin for the contracts relating to the project (Project Agreements).

A.0.2 SET-UP AND ACTIVITY

In an effort to officially conclude and implement these contracts, the Consortium set up, on 20 January 1997, a Moroccan partnership limited by shares under the name of the Jorf Lasfar Energy Company (JLEC), listed with the trade register under the number 2145, having as its Fiscal Identification number 1021595 and recorded in the Patente (trading licence) under the number 42161753.

In compliance with its articles of association, the company's purpose is to build, operate, manage and maintain the Jorf Lasfar electrical power plant, including the development, funding, equipment, construction, design, testing, operation and maintenance of the two new units, that are virtually identical in size and technology as the existing ones. In order to supply the plant with fuel, the company develops, operates and maintains the existing coal unloading, transport and storage installations at the Port of Jorf Lasfar. To perform these activities, the company received a right of possession for the site located at the Port of Jorf Lasfar, for the existing units, the new units and the coal transportation installations. This right of possession extends over the duration of the concession contracts, that are for 30 years as of 12 September 1997, the Funding Set-up date.

A.0.3 ACTIVITY DEVELOPMENT PERIOD

On 12 September 1997, the Funding Set-up date, all of the Project Contracts were signed, the Group Loan Contract was carried out, and the first release of the Group Loan was notably used to pay ONE for the Right of Possession. Accordingly, JLEC took possession of the Thermal Power Plant on 13 September 1997 and began selling the available capacity and net production to ONE, in compliance with the Electrical Energy Supply Contract. The required conditions for the project funding were met in November 1997.

A.0.4 CONSTRUCTION PERIOD FOR UNITS 3 AND 4

Units 3 and 4 were respectively commissioned on 9 June 2000 and 2 February 2001, i.e. respectively 33 months and 40 months after the Funding Set-up date.

A.0.5 PURCHASE OF JLEC BY TAQA

On 2 May 2007, Abu Dhabi National Energy Company ("TAQA") purchased CMS Generation, a subsidiary of CMS Energy that controls the direct shareholders of JLEC (i) Jorf Lasfar Energiaktiebolag, (ii) Jorf Lasfar Power Energy AB and (iii) Jorf Lasfar Handelsbolag and the subsidiaries of the ABB Group (i) Tre Kronor Investment AB, (ii) AB Cythere 61 and (iii) AB Cythere 63. As a result of these acquisitions, JLEC became directly and indirectly held by TAQA.

A.0.6 REFINANCING OF THE DEBT

The refinancing of the foreign currency debt arranged in 1997 with a consortium of foreign backers as well as the debt convertible into shares arranged with the direct shareholders of JLEC, in exchange for the signing of a loan from a consortium of Moroccan banks, including two tranches A and B with a long-term maturity (Tranche A equal to 5,500,000.00 Dirhams and Tranche B of 1,500,000.00 Dirhams), and of two Tranches R (short-term facility of one year) each in the amount of 200,000.00 Dirhams, for which the contract was signed on 16 January 2009, as modified by the amendment of 27 March 2009, the amendment of 22 December 2009, the amendment of 15 December 2010, the amendment of 10 December 2012, the amendment of 3 October 2014 and the amendment of 3 July 2015.

A.0.7 CREATION OF THE JORF LASFAR ENERGY COMPANY 5&6 (JLEC 5&6) SUBSIDIARY

On 22 December 2010, JLEC 5&6 was created for the purposes of the project to extend the Jorf Lasfar Thermal Power Plant with the construction of two new units with a gross capacity of 350 MW each, running on steam coal, adjacent to the current site of the Jorf Lasfar Thermal Power Plant. The two new electricity production units (i.e. Units 5&6) have a capacity of 700 MW (2 x 350 MW), thereby increasing the total capacity of the Jorf Lasfar Thermal Power Plant to more than 2000 MW. On 31 December 2016, TAQA Morocco holds 66% of the JLEC 5&6 shares.

Units 5&6 were commercially commissioned on 15 April and 7 June 2014, respectively.

A.0.8 PRIVATE INVESTMENT AND FLOTATION

In December 2013, a double capital increase was completed in the overall amount of DH 1,500,000,310:

- A first increase "Pre-IPO Capital Increase" was reserved for institutional investors (RMA Watanya, SCR and MCMA), followed by a private investment equal to DH 499,999,805, of which 111,731,800 Dh of par value and 388,268,005 Dh of issue premium. The shares resulting from the Private Investment were entirely paid up, and include dividend rights as of 1 January 2013;
- A second capital increase "IPO Capital Increase" was carried out with the general public after the JLEC IPO, in the amount of DH 1,000,000,505, of which 223,463,800 Dh of par value and 776,536,705 Dh of issue premium. The shares resulting from the IPO were entirely paid up, and include dividend rights as of 1 January 2013.



After the aforesaid IPO, Abu Dhabi National Energy Company PJSC (TAQA) now holds 85.79% of the TAQA Morocco capital, while the remaining portion of the capital, i.e. 14.21%, is held by the shareholders who participated in the Private Investment and the IPO.

A.0.9 CHANGE OF CORPORATE NAME AND EXTENSION OF THE CORPORATE PURPOSE

The Ordinary and Extraordinary General Meeting of the Shareholders of TAQA MOROCCO S.A. (formerly Jorf Lasfar Energy Company) met on 13 October 2014 to, and notably approved:

- The adoption of the new corporate name "TAQA Morocco";
- The extension of the corporate purpose of the TAQA Morocco company;
- The corresponding modification of the articles of association of the TAQA Morocco company.

A.1 MAIN VALUATION METHODS SPECIFIC TO THE COMPANY

A.1.1 GENERALITIES

The summary statements of the TAQA Morocco company are prepared in compliance with the accounting rules generally accepted in Morocco, as indicated in the CGNC (Accounting Standardisation General Code).

During the period of the set-up and establishment of the Company (until the Funding Set-up date), all expenses were paid by the Consortium (ABB and CMS). As of the Funding Set-up, all start-up and establishment costs paid by the related companies were invoiced to JLEC, and reimbursed by the Company.

A.1.2 FIXED ASSETS IN NON-SECURITIES

- Preliminary fees

As of the Funding Set-up date, the Company has capitalised its preliminary costs, and amortised them over a period of no more than five years. The preliminary costs include the legal and administrative expenses incurred in order to set up the company, as well as certain expenses incurred in order to prepare the start-up of the Company's commercial activity.

- Deferred charges over several financial years

The deferred charges over several financial years include:

- The expenses incurred in connection with major overhauls, performed every 8 years according to a pre-established plan, that are recognised as expenses and amortised over a period of five years;
- The expenses incurred in connection with minor overhauls, performed every 3 years according to a pre-established plan, that are recognised as expenses and amortised over a period of five years starting from January 1st;
- The costs related to the IPO were recognised as deferred expenses and amortised over 5 years..

A.1.3 INTANGIBLE FIXED ASSETS

- Expenses for obtaining funding

The expenses incurred in order to obtain funding are recognised in intangible fixed assets and amortised over a period of five years. The periodic amortisation of these expenses is recorded in operating allowances in compliance with the provisions of the CGNC.

- Other project development expenses

As of the Funding Set-up, the Company has recorded, as intangible fixed assets, certain expenses paid by the Consortium during the project's development period. These capitalised expenses are spread over the concession duration, i.e. 30 years as of the Funding Set-up.

- Initial right of possession

In compliance with the Transfer of Possession Agreement (Contrat de Transfert de Droit de Jouissance) or TPA and in return for payment of the Right of Possession Transfer Price indicated in this contract, ONE transferred to JLEC its "right of possession" of the Site and of units 1 & 2. This right of possession is capitalised in intangible assets and amortised over the concession duration, i.e. 30 years as of the Funding Set-up date.

- Supplemental right of possession

As indicated in note A.0.4 above, JLEC built Units 3 and 4 during a period, respectively, of 33 months and 40 months, as of the Funding Set-up date, and also carried out other investments related to the Site. During this period, the total corresponding expenses, including interim interest, were recognised in tangible fixed assets in progress. As of the Start-up of Unit 4 on 2 February 2001, the right of possession of JLEC was extended to these new units. These intangible assets are amortised over the remaining period of the concession, i.e. 26 years and 7 months as of this date..

A.1.4 TANGIBLE FIXED ASSETS

This item includes tangible fixed assets for which the estimated useful life is shorter than the duration of the concession. These fixed assets are recorded at their acquisition or production cost. Amortisations are calculated according to the straight-line method, and the applicable fiscal rates.

A.1.5 INVENTORIES

Inventories are valued at their purchase cost. This cost includes the purchase price and the incidental purchase expenses. At the end of the year, inventories are valued using the Weighted Average Cost Method (WACM), except for inventories of spare parts that are valued using First In First Out (FIFO).

A.1.6 FOREIGN CURRENCY TRANSACTION

Receivables and debts in foreign currencies are recognised at the prevailing exchange rate on the transaction date. These receivables and debts are converted at the closing rate and adjusted via the asset or liability translation adjustment accounts.

Unrealised exchange losses are booked in the income / expenses account by means of financial provisions.

Unrealised exchange gains are not recorded in the income / expenses account.

STATUTORY ACCOUNTS AS OF DECEMBER 31ST, 2016

A.2 REPORT ON EXCEPTIONS

A.2.1 EXCEPTIONS TO THE FUNDAMENTAL ACCOUNTING PRINCIPLES

None.

A.2.2 EXCEPTIONS TO THE VALUATION METHODS

- None.

A.2.3 EXCEPTIONS TO THE RULES FOR THE PREPARATION AND PRESENTATION OF SUMMARY STATEMENTS

Exchange gains and losses resulting from the recognition of coal purchases and the corresponding payments, made in American dollars and converted into dirhams at the rate of the day of the operation, are recorded in a sub-account of the "Coal purchases" heading entitled "Differences on coal purchases in dollars", amongst the operating expenses. This special treatment, having no impact on the Company's assets and financial situation, is justified by the fact that the differences are linked to recognition rules, and do not correspond with exchange gains or losses resulting from the conversion of dirhams into dollars.

A.3 REPORT ON METHOD CHANGES

A.3.1 CHANGES AFFECTING THE VALUATION METHODS

None.

A.3.2 CHANGES AFFECTING THE PRESENTATION RULES

None.

APPENDIX B-1 - PRE OPENING COSTS STATEMENT		
Moroccan Dirhams	From January 2016 to December 2016	
PRINCIPAL ACCOUNT	DESCRIPTION	AMOUNT AS OF DECEMBER 31, 2015
2128200000	Minor and major overhauls	350,537,464.48
2128200000	Lorentz project	41,994,119.86
2128200000	GP project	8,656,026.91
2128200000	Funding optimisation project	5,093,464.06
	Valeur brute	406,281,075.31
2812820000	Minor and major overhauls	182,122,506.66
2812820000	Lorentz project	33,595,295.88
2812820000	GP project	6,924,821.52
2812820000	Funding optimisation project	2,037,385.59
	Amortissements cumulés	224,680,009.65
	TOTAL	181,601,065.66

APPENDIX B-2 - SUMMARY OF FIXED ASSETS (GROSS)

From January 2016 to December 2016

DESCRIPTION	GROSS VALUE BEGINNING BALANCE	INCREASE			DECREASE			GROSS VALUE ENDINGS BALANCE
		Acquisition	Self Production	Transfer	Disposals	Reduction	Transfer	
CAPITALIZED COSTS	340,261,190.45	129,498,315.59				63,478,430.73		406,281,075.31
• Pre - Opening								
• Deferred Expenses	340,261,190.45	129,498,315.59				63,478,430.73		406,281,075.31
• Bonds premiums								
INTANGIBLE FIXED ASSETS	11,856,569,822.13			27,025,633.35				11,883,595,455.48
• Research and development	11,069,234,682.83			27,025,633.35				11,096,260,316.18
• Right, License, similar values	787,335,139.30							787,335,139.30
• Goodwill								
• Other intangible assets								
FIXED ASSET	783,034,319.94	46,036,092.09		53,342,082.76	913,378.00	283,415.71	80,367,716.11	800,847,984.97
• Land								
• Constructions	1,692,278.57	412,025.00						2,104,303.57
• Technical installation, equipment	389,218,042.55	4,456,078.45		32,476,960.51				426,151,081.51
• Vehicles	2,924,310.20	203,333.33			913,378.00			2,214,265.53
• Office furniture	228,792,981.11	10,609,550.27		20,865,122.25				260,267,653.63
• Other fixed assets	313,970.50							313,970.50
• Fixed assets in progress	160,092,737.01	30,355,105.04				283,415.71	80,367,716.11	109,796,710.23

STATUTORY ACCOUNTS AS OF DECEMBER 31ST, 2016

APPENDIX B-2 BIS SUMMARY OF DEPRECIATIONS

From January 2016 to December 2016				
DESCRIPTION	Cumulated Beginning Balance 1	Current year Depreciation 2	Cumulated Adjustments 3	Cumulated Depreciation Ending Balance 4=1+2-3
CAPITALIZED COSTS	206 701 610,86	81 456 829,52	63 478 430,73	224 680 009,65
• Pre - Opening				
• Deferred Expenses	206 701 610,86	81 456 829,52	63 478 430,73	224 680 009,65
• Bonds premiums				
INTANGIBLE ASSETS	6 864 458 950,56	428 755 678,59		7 293 214 629,15
• Research asset and development				
• Right, License, similar values	6 345 697 601,86	405 798 776,08		6 751 496 377,94
• Goodwill				
• Other intangible assets	518 761 348,70	22 956 902,51		541 718 251,21
FIXED ASSET	444 429 178,25	38 476 520,06	863 700,05	482 041 998,26
• Land				
• Constructions	350 544,40	86 358,43		436 902,83
• Technical installation, equipment	310 169 913,57	21 379 680,97		331 549 594,54
• Vehicles	2 656 836,99	221 239,70	863 700,05	2 014 376,64
• Office furniture	131 030 778,35	16 752 475,14		147 783 253,49
• Other fixed assets	221 104,94	36 765,82		257 870,76

APPENDIX B-3 SUMMARY OF ASSET DISPOSAL

From January 2016 to December 2016								
Date of disposal or retirement	Principal Account	Gross amount	Cumulated Deprecia- tions	Net Book Value	Sale Value	Capital gains	Capital losses	Sale/ Withdrawal
31-Dec-16	2340000000	180,604.00	130,926.05	49,677.95	94,000.00	44,322.05		Sale
31-Dec-16	2340000000	732,774.00	732,774.00	0.00	80,100.00	80,100.00		Sale
30-Jun-16	2393000187	26,370.53	0.00	0.00				Withdrawal
30-Jun-16	2393000220	257,045.18	0.00	0.00				Withdrawal
TOTAL		1,196,793.71	863,700.05	49,677.95	174,100.00	124,422.05		

APPENDIX B-4 SUMMARY OF INVESTMENTS

From January 2016 to December 2016									
Company Name	Activity Sector 1	Share Capital 2	% of deten- tion 3	Acquisition Price 4	Net Book Value 5	Extract from the last statement reports of the company			
						Closing date 6	Net Equity 7	Net income 8	Revenues 9
JORF LASFAR ENERGY COMPANY 5&6 «JLEC 5&6»	ELECTRICAL ENERGY	1,818,200,000	66.00%	1,199,999,600.00	1,199,999,600.00	30-Sept-16	3,176,670,583.20	906,459,348.72	560,994,249.81
TOTAL				1,199,999,600.00	1,199,999,600.00		3,176,670,583.20	906,459,348.72	560,994,249.81

APPENDIX B-5 SUMMARY OF PROVISIONS AND RESERVES

From January 2016 to December 2016

DESCRIPTION	Beginning Balance	CURRENT YEAR PROVISIONS			PROVISIONS DEDUCTIONS			Amount ending balance
		Operating	financial	Unusual	Operating	financial	Unusual	
1. Long term assets provisions								
2. Regulated Reserves								
3. Long term reserves for risks	15,384,492.00			17,338,168.00			15,384,492.00	17,338,168.00
SUB-TOTAL (A)	15,384,492.00			17,338,168.00			15,384,492.00	17,338,168.00
4. Current assets provisions	17,396,496.40	16,241,421.30			17,396,496.40			16,241,421.30
5. Other risk provisions	12,758,571.66		2,056,314.93			85,860.63	7,766,875.64	6,962,150.32
6. Financial provisions								
SUB-TOTAL (B)	30,155,068.06	16,241,421.30	2,056,314.93		17,396,496.40	85,860.63	7,766,875.64	23,203,571.62
TOTAL (A+B)	45,539,560.06	16,241,421.30	2,056,314.93	17,338,168.00	17,396,496.40	85,860.63	23,151,367.64	40,541,739.62

APPENDIX B-6 SUMMARY OF RECEIVABLES AND DEBTORS

Moroccan Dirhams

From January 2016 to December 2016

RECEIVABLES	TOTAL AS OF 31.12.2016	RECEIVABLES ANALYSES			OTHER ANALYSES			
		> 1 year	< 1 year	unrecovered	foreign currency balance	State receivables	Affiliated corporate receivables	Bills of exchange
LONG TERM RECEIVABLES	4,082,621.86	2,899,249.30	1,183,372.56					
- Loans	3,633,159.00	2,449,786.44	1,183,372.56					
- Other financial assets	449,462.86	449,462.86						
CURRENT ASSETS	1,912,546,846.44		1,908,034,704.30		9,345,550.08	468,401,111.82	572,271,641.25	
- Advances to suppliers	16,797,641.49		16,797,641.49		6,022,019.07	10,351,326.48		
- Trade receivables	871,127,356.66	506,824.56	870,620,532.10		3,323,531.01		11,277,391.44	
- Employee	1,572,495.56		1,572,495.56					
- State	458,049,785.34		458,049,785.34			458,049,785.34		
- Partners current accounts								
- Other debtors	560,994,249.81		560,994,249.81				560,994,249.81	
- prepaid	4,005,317.58	4,020,760.01						

STATUTORY ACCOUNTS AS OF DECEMBER 31ST, 2016

APPENDIX B-7 - SUMMARY OF LIABILITIES

In Moroccan Dirhams					From January 2016 to December 2016			
LIABILITIES	TOTALS AS OF 31.12.2016	ANALYSIS BY MATURITY			OTHER ANALYSIS			
		> 1 year	< 1 year	Out- standing and unre- covered	Foreign Currency	State receivables	Affiliated corporate receivables	Bills of ex- change
LONG TERM FINANCIAL DEBTS	4,086,601,307.31	3,687,908,496.95	398,692,810.36					
- Bonds issues								
- Other financial debts	4,086,601,307.31	3,687,908,496.95	398,692,810.36					
CURRENT	1,247,258,495.20	401,411,129.82	845,847,365.38		489,634,491.07	135,311,998.30	44,128,938.06	
- Trade payables	662,280,462.41		662,280,462.41		489,634,491.07		44,127,240.87	
- Advances from customers	9,918,766.52		9,918,766.52					
- Employee	33,448,161.97		33,448,161.97					
- Social security	6,697,230.86		6,697,230.86			6,697,230.86		
- State	128,614,767.44		128,614,767.44			128,614,767.44		
- Partners current accounts	1,697.19		1,697.19				1,697.19	
- Other creditors	401,411,129.82	401,411,129.82						
- Accruals	4,886,278.99		4,886,278.99					

APPENDIX B-8 - SUMMARY OF «ESTATE GUARANTEES» GIVEN OR RECEIVED

Financial year from 01/01/2016 to 31/12/2016					
CREDITORS/DEBTORS	Amount covered by guarantee	Nature (1)	Date and registration location	Purpose (2) (3)	Net booking value of the Guarantee as of December 31, 2016
- Given guarantees			NONE		
- Received guarantees	3,751,652.64	Mortgage		Residential loans	

(1) Security: 1 - Mortgage; 2 - Pledge; 3 - Warrant; 4 - Other; 5 - (to be specified)

(2) Indicate if the surety is given for the benefit of third party companies or persons (sureties given) [affiliated companies, associates, personnel members]

(3) Indicate if the surety received by the company comes from third parties other than debtors (sureties received)

APPENDIX B-9 - FINANCIAL COMMITMENTS OTHER THAN LEASING OPERATINGS

From January 2016 to December 2016		
GIVEN COMMITMENTS	Current year Amounts	Previous year Amounts
- Avalize and guarantee		
Assignment of receivables of November 2015		452,588,101.03
Assignment of receivables act of December 2015		511,288,051.26
Assignment of receivables of November 2016	383,726,603.06	
Assignment of receivables act of December 2016	446,682,448.47	
Importation Temporary		
ALSTOM France	26,789.00	26,789.00
CENTRACOM	4,650.00	4,650.00
LAMBLIN Voies Ferrées	133,688.00	133,688.00
Exportation Temporary		
SIGNATURE SCIENCE LLC(19630 usd)		555,196.00
BEIZ TECHNIQUE (93794 EURO)		495,557.00
ABB SECHERON (3850 EURO)		8,217.00
URS (38 890,00 MAD)	38,890.00	38,890.00
FERBECK & FURMITHERM (43028 EUR)	208,712.00	208,712.00
ALSTOM France (80750 EURO)	273,006.00	2,006.00
ALSTOM POWER SERVICE (5000 euro)	35,313.00	35,313.00
SCOTT USA (1350 USD)	6,557.00	6,557.00
ABB SECHERON SA (1500 CHF)	4,752.00	4,752.00
ABB SECHERON SA (1460 CHF)	8,622.00	8,622.00
ABB SECHERON SA (2090CHF)	9,628.00	9,628.00
ABB SECHERON SA (34600CHF)	77,021.00	77,021.00
Kema 2000 EURO	6,648.00	6,648.00
Paul boman (250 USD)	663.00	
TOTAL	831,243,327.53	965,498,398.29

APPENDIX B-9 - FINANCIAL COMMITMENTS OTHER THAN LEASING OPERATINGS

RECEIVED COMMITMENTS	Current year	Previous year
- Endorsement and Guarantee		
A) G.A		
SUEK AG (USD 2 000 000,00) (BMCE)		19,893,000.00
GLENCORE (USD 2 000 000,00) (BMCI)		19,893,000.00
NOBLE RESSOURCES INTERNATIONAL (USD 2 000 000,00) (BP)		19,893,000.00
VITOL S.A (USD 2 000 000,00) (BMCE)	20,252,000.00	19,893,000.00
SUEK AG (USD 2 000 000,00) (BMCI)	20,252,000.00	19,893,000.00
SUEK AG (USD 2 000 000,00) (BMCI)	20,252,000.00	19,893,000.00
TRAFIGURA (USD 2 000 000,00) (BCP)	20,252,000.00	19,893,000.00
UNIPER EX E.ON ENERGY (USD 2 000 000,00) (SG)	20,252,000.00	19,893,000.00
Convention de sequestre ONE (Lettre de credit)	425,000,000.00	425,000,000.00
AFRIQUIA (Attijari wafa bank)	339,820.20	339,820.20
AFRIQUIA (BP)	559,812.60	559,812.60
B) O&M		
AFRIC PESAGE		294,000.00
BUZZICHELLI MAROC		956,332.80
LE MONDE VEGETAL	269,200.00	269,200.00
OSS	83,592.00	83,592.00
SMAC STE	134,068.70	134,068.70
STOKVIS NORD-AFRIQUE	192,000.00	192,000.00
GETRA (210000)	2,415,000.00	2,268,840.00
AUTOMATION TECHNIQUE		388,800.00
SOMARAIL (20655 eur) Credit du Nord	237,532.50	223,156.62
SOMARAIL (11846 eur) Credit du Nord	136,229.00	127,984.18
SOMARAIL (11564 eur) societe Generale	132,951.50	124,905.04
SOMARAIL (3286,24eur) Societe Generale	37,791.76	35,504.54
Atlas copco	304,091.00	304,091.00
OLLEARIS MAGHREB		109,564.49
SOMAGEC	6,619,460.12	6,619,460.12
United Ventures Group		350,988.00
ARMO (REALISATION AND ASSEMBLY ASSISTANCE)	370,037.93	
BABCOCK WANSON MAROC		528,663.48
BABCOCK WANSON MAROC	492,006.00	
SCHNEIDER ELECTRIC IT	165,120.00	
- Other commitments received		
TOTAL	538,748,713.31	598,054,783.77

STATUTORY ACCOUNTS AS OF DECEMBER 31ST, 2016

APPENDIX B-10 - SUMMARY OF LEASING CONTRACTS

From January 2016 to December 2016										
Designation 1	first maturity Date 2	Length of contract 3	Estimated value at contract date 4	Theoretical depreciation period 5	Cumulated leasing expenses 6	yearly leasing expenses 7	Remaining balance		End of contract residual price 10	Comments 11
							< 1 year 8	> 1 year 9		
				NONE						

APPENDIX B-11 - INCOME STATEMENT DETAILS

From January 2016 to December 2016			
ACCOUNT		FINANCIAL YEAR	PREVIOUS YEAR
611	OPERATING EXPENSES		
	Cost of sales (commercial)		
	- purchases		
	- Inventory variation (+/-)		
	Total		
612	Cost of sales (production)		
	- Raw material purchases	2,564,075,243.61	2,904,757,903.10
	- Raw material inventory variation	3,287,443.08	19,029,229.45
	- Consumables	79,918,246.34	161,152,304.85
	- Consumables inventory variation (+/-)	(7,415,832.99)	(75,778,745.76)
	- Non stored purchased raw and equipments	59,965,197.36	52,322,663.59
	- services and surveys	121,006,234.90	112,889,486.78
	Total	2,820,836,532.30	3,174,372,842.01
613/614	Other external expenses		
	- Rentals	6,506,537.36	11,849,528.59
	- Repairs and maintenance	45,804,396.33	38,011,877.03
	- Insurance	27,913,943.32	29,789,336.17
	- Remuneration of external labor to the company	8,667,743.15	16,663,496.05
	- fees and commissions	45,095,419.02	33,152,077.94
	- Royalties, rights...	6,301,524.24	6,210,245.14
	- Research and documentation	899,354.37	2,541,159.19
	- transportation	2,688,506.63	2,663,516.59
	- travel, assignments and reception	2,131,052.56	4,072,126.21
	- Other external expenses	18,903,985.32	29,224,744.61
	Total	164,912,462.30	174,178,107.52
616	Taxes	23,516,745.27	23,658,209.67
617	Payroll expenses		
	- Remunerations	160,154,120.95	167,302,956.34
	- Social Charges	26,305,945.77	31,620,624.68
	Total	186,460,066.72	198,923,581.02
618	Other operating expenses		
	- Directors' fees		
	- Loss on irrecoverable receivables		
	- Remainder of other operating expenses item		
	Total		
638	FINANCIAL EXPENSES OTHER FINANCIAL EXPENSES		
	- Net investment sales costs		
	- Other		
	Total		
658	UNUSUAL EXPENSES		
	Other unusual expenses		
	- Penalties on contracts		
	- Taxes adjustments		
	- Tax penalties	2,403.12	132,224.47
	- Unrecoverable assets		
	- Other	3,554,543.17	17,784,909.31
	Total	3,556,946.29	17,917,133.78

APPENDIX B-11 - INCOME STATEMENT DETAILS (CONTINUED)

From January 2016 to December 2016

POSTE		FINANCIAL YEAR	PREVIOUS YEAR
711	OPERATING INCOME		
	Sales of merchandise		
	- Sales of merchandise in Morocco		
	- Sales of merchandise abroad		
	- Remainder of sales of merchandise item		
	Total		
712	Sales of goods and services produced		
	- Sales of goods in Morocco	4,505,769,456.93	4,887,224,375.99
	- Sales of goods abroad		
	- Sales of services in Morocco		
	- Sales of services abroad		
	- Fees for patents, trademarks, rights...		
	- Remainder of sales and services produced item		
	Total	4,505,769,456.93	4,887,224,375.99
713	Variation of product inventories		
	- Variation of inventories of goods produced (+/-)		
	- Variation of inventories of services produced (+/-)		
	- Variation of stocks and work in progress (+/-)		
	Total		
718	Other operating income		
	- Directors' fees received		
	- Remainder of item (miscellaneous proceeds)	904,764.58	2,165,558.31
	Total	904,764.58	2,165,558.31
719	Operational reversals, transfers of charges		
	- Reversals	17,396,496.40	23,285,103.50
	- Charge transfers		
	Total	17,396,496.40	23,285,103.50
	FINANCIAL INCOME		
738	Interest and other financial proceeds		
	- Interest and similar proceeds	1,126,181.16	606,642.04
	- Revenue from receivables on equity interests		
	- Net proceeds from disposal of investments and marketable securities	21,658,832.12	19,821,238.44
	- Remainder of interest and other financial proceeds item		
	Total	22,785,013.28	20,427,880.48

STATUTORY ACCOUNTS AS OF DECEMBER 31ST, 2016

REPORT: B12 - TRANSITION FROM ACCOUNTING NET INCOME TO NET FISCAL INCOME			
From January 2016 to December 2016			
	DESCRIPTION	Amount T1	Amount T2
I.	NET RESULT (ACCOUNTING)		
	Net profit	1,102,672,233.11	
	Net Loss		-
II.	TAX ADDITIONS	229,972,592.65	
	1. Current	2,889,898.30	
	- Unrealized gain as of December 31,2016	2,173,242.88	
	- non deductible depreciation	507,838.75	
	- Gifts	208,816.67	
	2. Non-current	227,082,694.35	
	- Donations	1,871,905.05	
	- Postemployment Obligation Provision as of December 31, 2016	750,382.77	
	- Non deductible amortization	17,338,168.00	
	- Non deductible amortization minor overhauls	22,966,927.04	
	- Other non current expenses expenses	8,671,112.13	
		11,517,586.14	
	- Income Tax	163,966,613.22	
III.	TAX DEDUCTIONS		639,753,653.78
	1. Current		
	- Conversion gains on current liabilities on 31-12-2015		3,601,651.97
	2. Non-current		
	- Reversal on provisions for retirement commitments on 31 December 2015		15,384,492.00
	- Reversal of non-current provisions		19,260,163.11
	- Tax deduction of amortisations on minor revisions		32,746,222.19
	- Reversal of non-current provisions		7,766,874.70
	- Income from equity investments		560,994,249.81
	Total	1,332,644,825.76	639,753,653.78
IV.	GROSS TAXABLE INCOME		
	Gross taxable profit if T1 > T2 (A)	692,891,171.98	
	Growth taxable loss if T2 > T1 (B)		
V.	TAX LOSS CARRYFORWARDS APPLIED (C) (1)		
	Financial year n-4		
	Financial year n-3		
	Financial year n-2		
	Financial year n-1		
VI.	FISCAL NET INCOME		
	Net taxable profit (A-C) or net taxable loss (B)		692,891,171.98
VII.	TOTAL FISCALLY DEFERRED AMORTISATIONS		
VIII.	TOTAL TAXABLE LOSSES STILL TO BE DEFERRED		
	Financial year n-4		
	Financial year n-3		
	Financial year n-2		
	Financial year n-1		
	Financial year n		

(1) Limited to the amount of the gross taxable profit (A)

REPORT: B13 - DETERMINATION OF THE OPERATING INCOME AFTER TAXES

From January 2016 to December 2016

I. INCOME CALCULATION		AMOUNT
- Operating Income (I/S)	(+/-)	1,114,945,027.17
- Tax operating additions	(+)	2,889,898.30
- Tax operating deductions	(-)	-3,601,651.97
- THEORETICAL TAXABLE OPERATING INCOME	(=)	1,114,233,273.50
- Theoretical tax	(-)	345,412,314.79
- Net operating income	(=)	769,532,712.39

II. SUMMARY OF TAX REGULATIONS AND SPECIFIC TAX ADVANTAGES

- (1) Limited to the amount of the gross taxable profit (A)
 - Exoneration of the IS during first five years of exploitation, 50% thereafter.

PPENDIX B14 - DETAIL OF V.A.T

From January 2016 to December 2016

DESIGNATION	Current year Initial balance 1	Current year Transactions 2	Current year V.A.T declaration 3	Current year final balance (1 + 2 - 3 = 4)
A. Invoiced V.A.T	116,508,116.00	632,400,233.23	643,638,473.80	105,269,875.43
B. Recoverable V.A.T	56,565,475.75	643,959,969.61	648,833,046.30	51,692,399.06
* On Expenses	56,517,288.89	640,404,003.22	645,228,893.05	51,692,399.06
* On Immobilizations	48,186.86	3,555,966.39	3,604,153.25	
C. V.A.T payable or V.A.T credit	59,942,640.25	(11,559,736.38)	(5,194,572.50)	53,577,476.37
NOTE: VAT credit according to declaration dated 31 December 2016:				(403,304,139.50)

B.15 CONTINGENT LIABILITIES

- On 23 June 2016, the TAQA Morocco Company received a notice of verification relative to the Corporation Tax and Income Tax corresponding with the financial years 2013 to 2016, as well as with regard to the Value Added Tax for the financial years from 2008 to 2015.

The first and second notifications were received respectively on 16 December 2016 and 2 March 2017, with adjustment proposals. In compliance with the provisions of the Moroccan Tax Code (article 220), a response was submitted to the Tax Department, in which the Company made observations and included supporting documents regarding the lack of basis for the majority of the proposed adjustments.

For the closing of the financial statements on 31 December 2016, a provision for risks was set up on the basis of the valuation prepared by the management and validated by its tax advisers, in order to deal with the possible adjustments that could result from this tax audit.

TAQA Morocco estimates that the possible adjustments will have no significant impact on the Company's earnings, net situation and liquidity.

- The tax and social declarations relative to FY 2016 have not yet been requested, and could be the subject of possible audits.

STATUTORY ACCOUNTS AS OF DECEMBER 31ST, 2016

APPENDIX: C-1 - SHARE CAPITAL ALLOCATION

Capital amount: 2,358,854,200.00 DH

From January 2016 to December 2016

Name or corporate names of principals shareholders 1	Address 2	NUMBER OF SECURITIES		Nominal Value of each share 5	CAPITAL AMOUNT		
		Previous Period 3	Current Period 4		Subscribed 6	Called Up 7	Paid Up 8
ABU DHABI NATIONAL ENERGY COMPANY (TAQA)	Al Maria Island, Level 23,24,25 AL Maqam Tower ABU DHABI, UNITED ARAB EMIRATES	20,236,583	20,236,583	100.00	2,023,658,300	2,023,658,300	2,023,658,300
S.E Abdulaziz Abdulrahman Mubarak Alhemaiddi	c/o Abu Dhabi National Energy Company PJSC Al Maria Island, Level 23,24,25 AL Maqam Tower Abu Dhabi, Emirats Arabes Unis		1	100.00	100	100	100
Saeed Hamad Obaid Abuqata Aldhaheiri	c/o Abu Dhabi National Energy Company PJSC Al Maria Island, Level 23,24,25 AL Maqam Tower Abu Dhabi, Emirats Arabes Unis		1	100.00	100	100	100
Mohammed Abdulla Falah Jaber Al Ahbabi	c/o Abu Dhabi National Energy Company PJSC Al Maria Island, Level 23,24,25 AL Maqam Tower Abu Dhabi, Emirats Arabes Unis		1	100.00	100	100	100
Khalid Al Sayari	Al Maria Island, Level 23,24,25 AL Maqam Tower ABU DHABI, UNITED ARAB EMIRATES	1	1	100.00	100	100	100
RMA WATANYA	Avenue des FAR - Casablanca	446,927	446,927	100.00	44,692,700	44,692,700	44,692,700
SCR	Tour ATLAS - Place Zellaqa - Casablanca	446,927	446,927	100.00	44,692,700	44,692,700	44,692,700
MCMA	Rue Abou Inane - Rabat	223,464	223,464	100.00	22,346,400	22,346,400	22,346,400
Public		2,234,640	2,234,637	100.00	223,463,700	223,463,700	223,463,700
		23,588,542	23,588,542		2,358,854,200	2,358,854,200	2,358,854,200

(1) When the number of associates is less than or equal to 10, the company must declare all participants in the capital. In other cases, it is only necessary to mention the 10 main associates in decreasing order of importance.

APPENDIX : C-2 - STATEMENT OF NET RESULT ALLOCATION

From January 2016 to December 2016

		AMOUNT			AMOUNT
A. ORIGIN OF ALLOCATED RESULTS			B. ALLOCATED RESULTS		
- Retained earning		16,968,873.40	- Legal reserve		
- Income / Loss to be allocated		841,614,663.48	- Other reserve		150,927,276.88
- Net result			- Percentage of profit		
- Deductions from reserves			- Dividends		707,656,260.00
- Other deductions			- Other profit allocation		
			- Retained earnings		
TOTAL A		858,583,536.88	TOTAL B		858,583,536.88

Total A = Total B

APPENDIX: C3 - LAST THREE YEARS RESULTS

INDICATIONS	Year N-2 From 01/01/2014 To 31/12/2014	Year N-1 From 01/01/2015 To 31/12/2015	Year N From 01/01/2016 To 31/12/2016
NET SHAREHOLDERS EQUITY			
• Shareholders equity plus assimilated equity minus capitalized cost	4,191,935,698.20	4,484,568,287.29	4,667,576,161.11
TRANSACTION AND RESULTS OF THE CURRENT YEAR			
1. Revenues	4,877,913,258.79	4,887,224,375.99	4,505,769,456.93
2. Pretax result	672,696,003.61	1,008,634,519.36	1,102,672,233.11
3. Corporate Tax	164,612,268.50	167,019,855.88	163,966,613.22
4. Dividends and related revenues distributed	2,514,538,577.20	518,947,924.00	707,656,260.00
5. Non distributed results (revenues to be allocated)			
RESULT PER SHARE			
• Earning per share	21.54	35.68	39.79
• Dividend per share	106.60	22.00	30.00
PERSONNEL			
• Current year gross salary amount	169,083,055.73	167,302,956.34	160,154,120.95
• Average staff employed during the current year	338	332	322

APPENDIX: C4 - SUMMARY OF FOREIGN CURRENCIES TRANSACTIONS BOOKED DURING THE CURRENT YEAR

DESIGNATION	Inflow dirham equivalent	Outflow equivalent in DH
- Permanent financing		
- Gross fixed assets		16,121,892.96
- Fixed Assets Disposals		
- Loan repayment		
- Proceeds	893,080.37	
- Expenses		2,364,581,922.23
TOTAL INFLOWS	893,080.37	
TOTAL OUTFLOWS		2,380,703,815.19
BALANCE IN FOREIGN CURRENCIES	2,379,810,734.82	
TOTAL	2,380,703,815.19	2,380,703,815.19

APPENDIX: C5 - FIXED DATE AND LATER EVENTS

I. FIXED DATE	
• Closing date (1)	31 December 2016
• Establishment date of summary statement	20 March 2017
(1) Justification in case of change of the financial year closing date (2) Justification in case of exceeding the regulatory time limit of three months for preparing summary statements	

II. SUBSEQUENT EVENTS TO THE CLOSING UNRELATED TO CURRENT YEAR AND KNOWN BEFORE THE COMMUNICATION OF THE SUMMARY STATEMENT

Dates	Indication of events
	- Favourables NONE
	- Unfavourables NONE

STATUTORY ACCOUNTS AS OF DECEMBER 31ST, 2016



Ernst & Young Sarl
37, Bd Abdellatif Ben Kaddour
Casablanca



Espace Bureaux Clarence
13, rue Al Kasr
Casablanca

STATUTORY AUDITORS' GENERAL REPORT FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2016

In compliance with the task assigned to us by your General Meeting, we have audited the attached summary statements of the company TAQA MOROCCO S.A. including the balance sheet, the income / expenses account, report on management balances, the financing table and the additional information report (ETIC) relative to the financial year ended on 31 December 2016. These summary statements bring to light an amount of shareholders equity and quasi shareholders equity of KMAD 4,849,177,226.77, including a net profit of KMAD 938,705,619.89.

Management responsibility

The management is responsible for the preparation and truthful presentation of these summary statements, in compliance with the accounting standards applicable in Morocco. This responsibility includes the design, set-up and monitoring of an internal control system relative to the preparation and truthful presentation of summary statements that are free of significant anomalies, as well as the determination of reasonable accounting estimates in view of the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion regarding these summary statements on the basis of our audit. We conducted our audit in accordance with the standards of the profession in Morocco. These standards require that we comply with the ethical rules, and that we plan and carry out the audit in order to obtain reasonable assurance that the summary statements contain no significant anomaly.

An audit implies the implementation of procedures intended to gather evidence supporting the amounts and information contained in the summary statements. The choice of procedures is made by the auditor, as is the assessment of the risk that the summary statements contain significant anomalies. When carrying out these risk assessments, the auditor takes into account the internal control used within the entity relative to the preparation and presentation of the summary statements in order to define audit procedures appropriate to the situation, but not in order to express an opinion on the efficiency of the entity's internal control.

An audit also includes an assessment of the appropriate nature of the adopted accounting methods and of the reasonable nature of the accounting estimates made by the management, as well as an assessment of the overall presentation of the summary statements.

We feel that the collected evidence is sufficient and appropriate for the basis of our opinion.

Opinion on the summary statements

We certify that the summary statements mentioned in the first paragraph above are in order and truthful, and provide, in all significant aspects, a fair presentation of the earnings from the operations of the elapsed financial year as well as of the financial situation and assets of the company TAQA MOROCCO S.A. to 31 December 2016 in compliance with the accounting standards accepted in Morocco.

Without calling the above opinion into account, we draw your attention to the fact that, in 2016, the company was the subject of a tax audit relative to the value added tax for the 2008-2015 period, corporation tax for the 2012-2015 period, income tax for the 2012-2015 period as well as the corporate solidarity contribution on profits and earnings for the 2013-2015 period. The company received a first notification from the tax department on 16 December 2016, and a second on 2 March 2017. The company responded by rejecting most of the reasons for the adjustments on 13 January 2017, and is preparing its response to the second notification.

Specific verifications and information

We have also conducted the auditing procedures required by law and we notably ensured the consistency of the information provided in the Executive Board management report intended for the shareholders with the company's summary statements.

Casablanca, 22 March 2017

The Statutory auditors

ERNST & YOUNG

Bachir TAZI
Associate

**BENJELLOUN
TOUIMI CONSULTING**

**Abdelmajid
BENJELLOUN
TOUIMI
Associate**

RESOLUTIONS

Under the remit of the Ordinary General Meeting

FIRST RESOLUTION

The Ordinary General Meeting, after the Executive Board management report and the observations of the Supervisory Board were presented to it and in view of the Statutory auditors' general report, approves the corporate financial statements for the financial year ended on 31 December 2016, as presented to it and indicating a net profit of **938,705,619.89 Dirhams**.

SECOND RESOLUTION

The Ordinary General Meeting, after the Executive Board management report and the observations of the Supervisory Board were presented to it and in view of the Statutory auditors' general report, approves the consolidated financial statements for the financial year ended on 31 December 2016, as presented to it and indicating a Group Share of Net Earnings of **978,488,390.83 Dirhams**.

THIRD RESOLUTION

The Ordinary General Meeting decides, based on a proposal from the Executive Board, to appropriate the profit of the year ended on 31 December 2016 as follows:

1. Net profit on 31 December 2016 (a) = **938,705,619.89 Dirhams**
2. Legal reserve (b) = 0.00 Dirhams
3. New balance: (c) = (a)-(b) = **938,705,619.89 Dirhams**

To which is added :

4. The previous retained earnings = **0.00 Dirhams**
5. Other reserves (Optional reserves) (d) = **150,927,276.88 Dirhams**
6. Profit available for distribution (e) = (c)+(d) = **1,089,632,896.77 Dirhams**
7. Dividends (f) = 37 Dirhams x 23,588.542 shares = **872,776,054.00 Dirhams***
8. Remainder to be appropriated to optional reserves (g) = (e) - (f) = **216,856,842.77 Dirhams**

** The dividends will be paid at the latest on 25 July 2017.*

FOURTH RESOLUTION

The Ordinary General Meeting grants full and unconditional discharge to all Executive board members and to the Supervisory Board for the performance of their mandates during the 2016 financial year.

It also decides to grant discharge to the Statutory auditors for the performance of their assignment during the elapsed financial year.

FIFTH RESOLUTION

The Ordinary General Meeting, after having reviewed the Statutory auditors' special report on the agreements indicated in article 95 et seq of law n° 17-95 relative to public limited companies as amended and completed by law n° 20-05 and law n° 78-12, successively approves each of the agreements mentioned therein.

SIXTH RESOLUTION

The Ordinary General Meeting ratifies the co-optation by the Supervisory Board meeting on 15 September 2016 of Mr. Mohammed Abdulla Falah Jaber Al Ahbabi as Member of the Supervisory Board, as replacement for Mr. Ahmed Khalifa Mohamed Obaid Almehairi, for the remainder of the term of his predecessor, i.e. until the end of the Ordinary General Meeting that will vote on the Company's financial statements for the 2019 financial year.

SEVENTH RESOLUTION

The Ordinary General Meeting grants all powers to any bearer of a copy, excerpt or photocopy of these minutes for the fulfilment of the legal filing and disclosure formalities.

Under the remit of the Extraordinary General Meeting

FIRST RESOLUTION

After having reviewed the reports of the Executive Board and of the Supervisory Board, the Extraordinary General Meeting decides to bring the Company's articles of association into line with the

provisions of law ° 78-12 that modifies the and completes law n° 17-95 relative to public limited companies.

As such, the Extraordinary General Meeting decides:

- to insert, in the header, the references relative to the Company; and
- to modify articles 1, 7, 16, 17, 19, 21 as follows:

« Article 1 - Form

(...)

The Company is a publicly traded company, governed by the laws and regulations in effect and notably by law 17-95 promulgated by the dahir n° 1-96-124 of 30 August 1996, as amended and **completed by law n°20-05 of 23 May 2008 and law n°78-12 of 29 July 2015 (the "Law")**

(...) »

« Article 7 - Issued Capital

(...)

The shares comprising the Company's issued capital are all in the same category and **enjoy the same rights**".

« Article 16 – Supervisory Board

(...)

16.2 - Chairman and Deputy chairman of the Supervisory Board

From its natural person members, the Supervisory Board elects a Chairman and, if relevant, a Deputy chairman who are in charge of calling Supervisory Board meetings and directing the discussions thereof. They exercise their duties for the duration of the term of the Supervisory Board.

The compensation of the Chairman and, if relevant, of the Deputy chairman is determined by the Supervisory Board.

In case of temporary impediment or death of the Chairman, the Supervisory Board can delegate one of its members to perform the duties of the Chairman.

In case of temporary impediment, this delegation is given for a limited time, and is renewable. In case of death, the said delegation remains valid until a new Chairman is elected".

« 16.5 Powers and Missions of the Supervisory Board

(...)

If not called by the Executive Board, the Supervisory Board can notably convene, in case of emergency, the General Meeting under the conditions provided by the Law".

(...)

« 16.7 Audit committee

The Company must have an audit committee that monitors, under the responsibility of the Supervisory Board, any matters relating to the preparation and verification of the accounting and financial information. The composition and prerogatives of the said committee must be set in compliance with the Law".

« Article 17 Regulated and prohibited agreements

I - Any agreement between the Company and a member of the Executive Board or Supervisory Board or one of its shareholders that directly or indirectly holds more than five percent (5%) of the Company capital or voting rights, requires the prior approval of the Supervisory Board.

This also applies to agreements in which one of the above-mentioned persons is indirectly involved or in which this person is dealing with the Company through an intermediary.

The prior approval of the Supervisory Board also applies to agreements occurring between the Company and a company, if one of the members of the Executive Board or Supervisory Board of the Company is the owner, associate with unlimited liability, manager, board member, general manager or member of the executive board or supervisory board of this company.

The above provisions do not apply to agreements relating to current operations and that have been signed under normal conditions. However, these agreements are declared to the chairman of the Supervisory Board by the interested party, unless, because of their purpose or financial implications, they are of no significance for any of the parties. The list, including the purpose and conditions of the said agreements, is provided by the Chairman to the Supervisory Board members and to the statutory auditors within sixty days of the closing of the financial year.

The interested party must inform the Supervisory Board immediately upon learning of an agreement requiring approval. If this person is on the Supervisory Board, he cannot take part in the vote on the requested approval.

The Chairman of the Supervisory Board notifies the Statutory auditors of all approved agreements within thirty days of the date of their conclusion and submits them for the approval of the next Ordinary General Meeting of the shareholders. The Statutory auditors presents a special report on these agreements to the General meeting of the shareholders that votes on this report. **The Statutory auditors' special report must be published in accordance with the applicable and prevailing legal and regulatory provisions.**

The interested party cannot take part in the vote and his shares will not be taken into account for the calculation of the quorum and majority.

The agreements approved by the General meeting of the shareholders, as well as any that it rejects, produce their effects relative to third parties, unless cancelled in the event of fraud. However, even in the absence of fraud, the prejudicial effects to the Company from rejected agreements can be charged to the member of the Supervisory Board or Executive Board, or to the interested party shareholder and, possibly, to the other Executive Board members.

Tout membre du Directoire ou du Conseil de Surveillance ou l'un Every member of the Executive Board or Supervisory Board or one of the shareholders directly or indirectly holding more than five percent (5%) of the Company capital or voting rights is required to inform the Supervisory Board of the elements that will make it possible to assess their interests relative to the conclusion of the agreements indicated in article 95 of the Law, and notably the nature of the relations between the parties to the said agreements and the economic reasons justifying their conclusion as well as their various characteristics. The Company is required to publish the said elements within a maximum interval of three (3) days as of the conclusion date of the agreement, by any publication means accepted by the Moroccan Capital Markets Authority.

(...) »

« Article 19 – Right to information

In compliance with the provisions of the legal and regulatory texts, the shareholders have a right to information that the Company must respect and apply under the conditions required by the said legal and regulatory texts. **The Company is required to have an Internet site in order to fulfil its information obligations relative to its shareholders”.**

« Article 21 – Meeting notice

The **Executive Board** calls General Meetings of the shareholders, establishes their agendas, determines the terms of the resolutions submitted to them, and those of the report presented to them on these resolutions.

Otherwise, in **case of emergency**, Ordinary General Meetings of the shareholders can also be called by:

- the Statutory auditors, but only after having unsuccessfully asked for them to be called by the Supervisory Board **and the Executive Board**;

- the liquidator(s), in case of the Company's dissolution and during the liquidation period;

- an agent designated by the presiding judge of the court acting in summary proceedings at the request of any interested party in case of emergency, or of one or more shareholders holding at least one tenth of the issued capital;

- the majority shareholders in capital or voting rights after a takeover or exchange bid or after the sale of a block of shares that modifies the Company's control;

- **the Supervisory Board.**
(...)

The Executive Board can decide, when calling them, on the public broadcast of all of these meetings by videoconference and/or teletransmission. As relevant, this decision is indicated in the meeting notice..

The Company must publish, at least thirty (30) clear days before the General Meeting of the Shareholders, in a newspaper included in the list established in application of article 39 of the dahir concerning law n° 1-93-212 of 21 September 1993 relative to the Marketable Securities Ethics Council and to the information required from publicly traded legal persons, a meeting notification containing the indications required by article 124 of the Law as well as the text of the draft resolutions that will be presented to the General Meeting by the Executive Board, **completed by an accurate description of the procedures that the shareholders must follow in order to participate and vote during the meeting, in particular for voting by proxy or by post.**

The meeting notification may fail to include the aforesaid information if it is published on the Company's Internet site, at the latest on the same day as the publication of the said meeting notification. In this case, the latter provides the address of the said Internet site.

For an uninterrupted period beginning at the latest on the twenty-first day prior to the meeting, the Company must publish, on the aforesaid Internet site, the information and documents required by the Law.”

(...)

SECOND RESOLUTION

The Extraordinary General Meeting grants all powers to any bearer of a copy, excerpt or photocopy of these minutes for the fulfilment of the legal filing and disclosure formalities.

The Executive Board

TAQA Morocco

Jorf Lasfar Thermal Power Plant

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